



# ***Daily Report***

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## **China**

FBIS-CHI-93-187  
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29 September 1993

# Daily Report

## China

FBIS-CHI-93-187

### CONTENTS

29 September 1993

**NOTICE TO READERS:** An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

##### General

Qian Qichen Addresses Asia Society in New York .....	1
Denies Policy of 'Hegemony' [XINHUA] .....	1
Discusses Ties With U.S. [XINHUA] .....	1
Discusses Asian Economy [XINHUA] .....	2
Discusses China's Economy [XINHUA] .....	2
Qian Qichen Meets Foreign Ministers at UN .....	2
Meets Japan's Hata Tsutomu [XINHUA] .....	2
Says Ties Growing 'Smoothly' [XINHUA] .....	3
Meets Lithuanian, Lebanese Leaders [XINHUA] .....	3
Talks With Various Foreign Ministers [XINHUA] .....	4
Official Speaks in Geneva on GATT Membership [XINHUA] .....	4
'Observers Speculate' on Yeltsin Visiting Japan [Beijing International] .....	5
Comparison of Reaction to Olympic Committee Choice .....	5

##### United States & Canada

XINHUA Reports on Clinton's UN Address .....	5
U.S. Conventional Weapon Detonation Noted [XINHUA] .....	6
U.S. Weekly on 'Cold War Mentality' in Trade [XINHUA] .....	6
Jilin Delegation Departs Canada for U.S. [JILIN RIBAO 18 Sep] .....	7

##### Central Eurasia

Reportage on Russian 'Political Crisis' Continues .....	7
Yeltsin Opposes Use of Force [XINHUA] .....	7
Forces 'Clashed' at Parliament [XINHUA] .....	7
Gunshots Reported at Parliament [XINHUA] .....	8
Troops Move Toward Parliament [XINHUA] .....	8
Troops 'Enlarging' Cordons [XINHUA] .....	8
Russian Security Council To Meet 29 Sep [XINHUA] .....	8
'Violence' Occurs at Russian Parliament [XINHUA] .....	8
Mayor: Situation 'Explosive' [XINHUA] .....	8
Zorkin Urges 'Zero Option' To Resolve Situation [XINHUA] .....	9

##### Northeast Asia

Li Lanqing Addresses Reception in Seoul [Beijing International] .....	9
Beijing, Seoul Sign Satellite Contract [XINHUA] .....	9
Hebei Plans Cement Plant With ROK Businessmen [HEBEI RIBAO 14 Sep] .....	10
Shandong Opens Longkou-Kobe Container Line [Jinan Radio] .....	10

##### Near East & South Asia

Israeli Prime Minister To Visit 10-14 Oct [XINHUA] .....	10
Labor Firm Optimistic Over Mideast Prospects [CHINA DAILY (BUSINESS WEEKLY) 26 Sep] .....	10
Beijing To Establish Trade Ties With 'Palestine' [CHINA DAILY (BUSINESS WEEKLY) 26 Sep] .....	11

Wu Xueqian Receives Tunisian Visitors 28 Sep [XINHUA]	11
Sri Lanka Ceremony Marks PRC National Day [XINHUA]	11
Cultural Week Begins in Kathmandu [XINHUA]	12

#### Sub-Saharan Africa

Kenyan President Congratulates Jiang Zemin [XINHUA]	12
Embassies in Africa Mark PRC National Day	12
Envoy to Nigeria Holds Reception [XINHUA]	12
Reception Hosted in Tanzania [XINHUA]	12
Envoy to Zambia Receives Guests [XINHUA]	12

#### West Europe

Wu Yi Seeks Closer Economic Ties With Austria [XINHUA]	12
--	----

#### East Europe

Zou Jiahua 'Optimistic' on Hungarian Trade Ties [XINHUA]	13
Hungarian Science Exhibition Opens in Tianjin [TIANJIN RIBAO 16 Sep]	13

#### Latin America & Caribbean

Satellite Development Protocol Signed With Brazil [XINHUA]	13
--	----

### NATIONAL AFFAIRS

#### Political & Social

Further on Deng Pufang's Remarks at News Conference [XINHUA]	15
Beijing TV Report	15
Zhao Ziyang Seen Playing Golf in Beijing 28 Sep [Hong Kong TV]	16
'Higher Authorities' Order Filming Stopped [Hong Kong TV]	16
Ministry Refuses To Give Information on Journalist [Hong Kong SOUTH CHINA MORNING POST 29 Sep]	16
Jiang Inspects Guangdong, Comments on Reform [XINHUA]	17
Qiao Shi Stresses Need for Economic Development Laws [XINHUA]	18
'Comprehensive Document' Being Prepared [Tokyo KYODO]	18
Groups To Inspect Local Anticorruption Operations [Hong Kong TA KUNG PAO 26 Sep]	18
Flowers in Tiananmen Square To Mark National Day [XINHUA]	19
Radio Administration Regulations Transmitted [XINHUA]	19

#### Economic & Agricultural

Foreign Trade Regulations To Be Published [XINHUA]	24
Western Economists Say Leaders on 'Bus of Reform' [AFP]	24
'News Analysis' Urges Better Foreign Investment Policies [XINHUA]	25
State Spends \$5.2 Billion on 'Key Projects' [XINHUA]	25
Statistical Bureau Views Macroeconomic Control [BEIJING REVIEW 27 Sep-3 Oct]	26
Industrial Output 'Developing Rapidly' Since 1978 [XINHUA]	26
Increased Consumption Levels During 'Reform' Noted [XINHUA]	27
Economists Fear Consumer Demand Will Cause Inflation [Hong Kong SOUTH CHINA MORNING POST 29 Sep]	27
Official Discusses Securities Malpractices [CHINA DAILY 29 Sep]	28
State Commends Ethnic Minority Entrepreneurs [XINHUA]	29
Personnel Ministry To Hold Technology, Talent Fair [XINHUA]	29
Zou Jiahua Inspects Three Gorges Project [XINHUA]	30
Civil Aviation Administration Revokes Fee Categories [Beijing TV]	30
Government Increases Purchase Price of Gold [XINHUA]	30
Discovery of Gold Deposit in Shandong Reported [Jinan Radio]	30
Importance of 'Small Towns' to Economy Viewed [XINHUA]	30

Diseases, Pests 'Serious' Threat to Rice Harvest [CHINA DAILY 29 Sep]	31
Land Preservation Meeting Ends in Inner Mongolia [Hohhot Radio]	31

## REGIONAL AFFAIRS

### East Region

Expressway in Chang Jiang Delta Under Way [XINHUA]	33
Fujian Governor Discusses Township Enterprises [ZHONGGUO XINWEN SHE]	33
Chen Huanyou Becomes Jiangsu Party Secretary [XINHUA]	33
Columnist Appraises Jiangsu's Market Economy [RENMING RIBAO OVERSEAS 13 Sep]	33
Jiangsu Forms Agricultural Service Network [XINHUA]	35
Shandong Details Development Zones Plans [Jinan Radio]	36
Shanghai District Develops Commercial Center [XINHUA]	36

### Central-South Region

Effects of Guangdong Economic Activities Noted [Guangzhou Radio]	36
Zhanjiang Police Chief Arrested for Suspect's Death [ZHONGGUO TONGXUN SHE]	37
Shenzhen Party Cadres Face Legal Action [Guangzhou Radio]	37
Haikou Executes Ten 'Criminals' for Graft [XINHUA]	37

### North Region

Inner Mongolia's Wang Qun on Party Building [NEIMENGGU RIBAO 14 Sep]	37
Tianjin Reports on Jan-Aug Economic Situation [TIANJIN RIBAO 11 Sep]	39

### Northeast Region

Heilongjiang Secretary Addresses CPC Meeting [HEILONGJIANG RIBAO 4 Sep]	41
---	----

## TAIWAN

Taipei, Norway Sign Science, Technology Accord [CNA]	51
Ministry Reports Foreign Travel Visa Rules [CNA]	51
Editorial Discusses Reunification Efforts [CHINA POST 20 Sep]	51
Toy Makers Group Establishes Zone in Mainland [CNA]	52
DPP Commemorates Seventh Anniversary [CNA]	52

## HONG KONG & MACAO

### Hong Kong

Editorial Discusses Clinton's UN Address [Hong Kong SOUTH CHINA MORNING POST 29 Sep]	53
PRC Officials Comment on Talks With UK	53
Zheng Guoxiong on 'Sincerity' [XINHUA]	53
Wang Qiren on 3 'Conformities' [Hong Kong WEN WEI PO 28 Sep]	53
XINHUA Officials on Talks [Hong Kong WEN WEI PO 28 Sep]	54
Editorial on British Reaction to Deng's Talk [Hong Kong WEN WEI PO 27 Sep]	55
NPC, CPPCC Members Comment on Deng Talk [XINHUA]	56
Patten 'Prepared' To Report Negotiating Stance [Hong Kong SOUTH CHINA MORNING POST 29 Sep]	56
Paper Apologizes to PRC for Story on Bank Fraud [AFP]	57
Work Committee Law Group Meets in Beijing [XINHUA]	57
Discusses Bill of Rights [Hong Kong WEN WEI PO 26 Sep]	58
PRC Austerity Drive Affects Export Statistics [Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) 29 Sep]	58



## General

### Qian Qichen Addresses Asia Society in New York

#### Denies Policy of 'Hegemony'

OW2809181093 Beijing XINHUA in English 1750  
GMT 28 Sep 93

[Text] United Nations, September 28 (XINHUA)—Chinese Foreign Minister Qian Qichen said here today that people of the world may derive some useful ideas from Asia's success in maintaining a relative political stability and obtaining sustained economic growth.

He reassured the world that China "does not seek hegemony now, nor will it do so in the future when it is stronger and more developed, and neither will it pose a potential threat."

On Sino-U.S. relations, he urged the U.S. side to take a positive attitude, like that of China's, and strictly abide by the principles enshrined in the three joint communiques between the two countries so that they could move their relations forward on a steady course.

The Chinese foreign minister, who is concurrently China's vice-premier, made these statements at a luncheon hosted by Asia Society based in New York.

Discussing the Asian situation, Qian said that in contrast to the turbulence elsewhere, Asia, and particularly East Asia, is enjoying relative peace, stability and prosperity, which have a great strategic significance for global peace and development.

The stability and prosperity in Asia, he continued, created an auspicious international environment as well as opportunities of cooperation for China's reform, opening-up and economic development, and China's political cohesion and stability and successful economic restructuring and development would in turn contribute importantly to peace, stability and prosperity in Asia and the world at large.

However, he said, some people, who asserted that China had become "the world's third largest economic power," had over-estimated its achievements, and "it will take many decades of unremitting efforts by several generations of Chinese only to catch up with the average developed countries."

Refuting another allegation that China would build up its military power and go around filling up "vacuum," thereby posing a menace to Asian countries, the Chinese foreign minister quoted statements of many Asian leaders as saying that those allegations were "sheer nonsense."

"The Chinese Government," he stated, "will continue to make positive efforts together with those countries to maintain peace and stability in the Asia-Pacific region."

On Sino-U.S. relations, Qian said, the Chinese Government has always attached great importance to its relations with the U.S. and has made enormous efforts to improve and develop those relations.

However, he said, in handling bilateral relations, each side should not merely consider its own interests but should also accommodate those of the other, and to impose one's own views on the other, interfere in the purely internal affairs of another country or impose sanctions against another sovereign state by invoking one's domestic law—those manifestations of hegemony have proved futile.

"The development of Sino-U.S. relations can only be based on the principles of mutual respect, equality and mutual benefit and non-interference in each other's internal affairs," Qian said.

#### Discusses Ties With U.S.

OW2809203193 Beijing XINHUA in English 2005  
GMT 28 Sep 93

[Text] New York, September 28 (XINHUA)—China hoped that the United States would take a "positive attitude", like that of China's, to together move the Sino-U.S. relations forward on a steady course.

The remarks were made by Qian Qichen, Chinese vice-premier and foreign minister, at a luncheon today hosted by the Asia Society.

Qian also urged the U.S. to "abide by the principles enshrined in the three joint communique between the two countries."

The Chinese Government had always attached great importance to its relations with the United States and had made enormous efforts to improve and develop those relations, Qian said.

Qian also said that his country had on many occasions indicated that it would be "willing to enhance mutual trust, minimize troubles, increase cooperation and refrain from confrontation with the United States."

China and the U.S. share common interests in and major responsibilities for the maintenance of world peace and stability in the world, Qian said, and their economies are highly complementary, thus there is a great potential and broad prospect for developing mutually beneficial cooperation between them.

"It is in the fundamental interests of our two countries and peoples and conduces to peace and stability in the Asia-Pacific area and the world to build Sino-U.S. relationship on a sound basis and strengthen our bilateral cooperation in all fields," Qian stated.

In handling bilateral relations, he stressed, each side should not merely consider its own interests, but should also accommodate those of the other.

He said that "to impose one's own views on the other, interfere in the purely internal affairs of another country or impose sanctions against another sovereign state by invoking one's domestic law—those manifestations of hegemony have proved futile."

"The development of Sino-U.S. relations can only be based on the principles of mutual respect, equality and

mutual benefit and non-interference in each other's internal affairs," the Chinese foreign minister said.

#### **Discusses Asian Economy**

*OW2809225693 Beijing XINHUA in English 2219  
GMT 28 Sep 93*

[Text] United Nations, September 28 (XINHUA)—A relatively stable and prosperous Asia has a great strategic significance for global peace and development, Chinese Vice-Premier and Foreign Minister Qian Qichen said here today.

Addressing a luncheon hosted by the Asia Society, Qian said, "In contrast to the turbulence elsewhere, Asia, and particularly East Asia, is enjoying relative peace, stability and prosperity."

Asia's annual economic growth rate reached 6.9 percent in the 1980s, and that of last year recorded 7.1 percent while that of the Western countries stood only at 1.5 percent.

"This sustained boom has made Asia the most dynamic region in the global economy," Qian said.

The Chinese foreign minister attributed Asia's success to the top priority given by most of the Asian countries to economic development.

"They have been able to maintain a benign circle of political stability ensuring economic development, which in turn strengthens political stability," he said.

The world may draw some useful ideas from Asia's success, the Chinese foreign minister said.

Qian said, "the stability and prosperity in Asia create an auspicious international environment as well as opportunities of cooperation for China's reform, opening-up and economic development."

He added that China's development and stability "will, in turn, contribute importantly to peace, stability and prosperity in Asia and the world at large."

He also stressed that because of the diversity of national conditions, "Asian countries cannot imitate Europe on the question of security."

However, he added, "they certainly can reach consensus, through dialogues, on the principles, mechanisms and modalities of regional security, which would provide a sound basis for security cooperation in Asia."

#### **Discusses China's Economy**

*OW2809230693 Beijing XINHUA in English 2232  
GMT 28 Sep 93*

[Text] New York, September 28 (XINHUA)—Chinese Foreign Minister Qian Qichen declared here today that China does not seek hegemony now, nor will it do so in the future when it is stronger and more developed.

Qian, who is also China's vice-premier, made these remarks at a luncheon hosted by the Asia Society when he referred to the allegations that China would build up its

military power and go around filling up "vacuum," thereby posing a menace to Asian countries.

The Chinese official quoted many Asian leaders as saying that these allegations are "sheer nonsense."

According to the Chinese foreign minister, China's military budget of merely 7.3 billion U.S. dollars is the lowest among the big countries, and Japan's military expenditure amounts to 36 billion U.S. dollars and that of the United States 282.6 billion U.S. dollars.

What is more important is the fact that, said Qian, China historically often fell victim to aggression and enslavement by foreign powers, but never had the intent or acts of expansionism.

"To maintain the positive economic momentum of relative political stability and sustained economic development in Asia serves the interests of the people of Asia and the world at large."

On another issue, which said that China had become "the world's third largest economic power," Qian explained that this was evidently an over-estimation and did not tally with the reality of the country.

China's economy, he said, had grown considerably and gained some stature. However, he added, China is still a developing nation, whether measured by the values or by the actual quantities of materials, or in terms of the level of its economic development, or in the context of its science, technology, social progress, culture or environment.

And in per capita terms, Qian said, China is still in the rank of low-income countries.

"We are soberly aware that," the Chinese foreign minister said, "for China it will take many decades of unremitting efforts by several generations of Chinese only to catch up with the average developed countries."

#### **Qian Qichen Meets Foreign Ministers at UN**

##### **Meets Japan's Hata Tsutomu**

*OW2909001093 Beijing XINHUA in English 2343  
GMT 28 Sep 93*

[Text] United Nations, September 28 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen said here today that the relations and friendly cooperation in many fields between China and Japan have grown smoothly during the past years.

Qian made the remarks while meeting Japanese Deputy Prime Minister and Foreign Minister Hata Tsutomu this morning at the United Nations.

There has been a long history of China-Japan relations and the contacts between the two peoples, the Chinese vice-premier noted, adding that the twists and turns between the two countries have become a past.

Qian stressed that under the current international situation, to continue long-term stability and development between the two countries was in line with the common

interest and was conducive to the development between the two and peace and stability in Asian and Pacific region as well as the world.

Expressing appreciation for the active attitude of the Japanese Prime Minister Morihiro Hosokawa and his new government towards China relations, Qian hoped for further development of bilateral relations on what has been achieved.

At their meeting, Qian congratulated Tsutomu on his new post and invited him to visit China as soon as possible.

Tsutomu, noting that he was glad to see bilateral relations between the two countries going well, said the new Japanese Government would further push forward the already friendly relations.

He said senators from the Shinsei Party [Shinseito—Japan Renewal Party] visited China a dozen days ago and the stable development between the two countries will certainly be of great importance to peace in Asia and the world.

While saying that he would like to visit China within this year, the new Japanese foreign minister hoped that Chinese leader Jiang Zemin would soon visit his country.

The two sides also exchanged ideas on international issues of common interest.

#### **Says Ties Growing 'Smoothly'**

*OW2909095593 Beijing XINHUA Domestic Service in Chinese 0142 GMT 29 Sep 93*

[By reporter Zhao Renfang (6392 0088 2455)]

[Text] United Nations, 28 Sep (XINHUA)—Qian Qichen, Chinese vice premier and foreign minister, said here on 28 September: Sino-Japanese relations have a long history, and exchanges between the two peoples go back to ancient times. The twists and turns between China and Japan, though, have become a thing of the past. Relations and friendly cooperation in many fields between the two countries have grown smoothly in recent years.

Qian made the remarks when meeting Japanese Deputy Prime Minister and Foreign Minister Tsutomu Hata.

Qian stressed: In the current international situation, to continue a long-term and steady development of relations between China and Japan is in line with the common interests and aspirations of the Chinese people and the Japanese people, and is conducive to the development of the two countries and to peace and stability in the Asia-Pacific region and the world.

Expressing appreciation for the active interest taken by Japanese Prime Minister Hosokawa and his new government toward relations with China, Qian said he hoped for further developments in bilateral relations on the basis of what has been achieved so far.

Qian Qichen invited Hata to visit China as soon as possible. Hata said he was ready to visit China this year.

Hata said he was glad to see Japanese-Chinese relations going well, and that the new Japanese Government would further push forward the already friendly relations.

Hata said: The future Japanese-Chinese relationship should be one of global significance. The stable development between the two countries will certainly be of great importance to peace in Asia and the world.

The two sides also exchanged views on international issues of common interest.

#### **Meets Lithuanian, Lebanese Leaders**

*OW2909061793 Beijing XINHUA in English 0520 GMT 29 Sep 93*

[Text] United Nations, September 28 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met Lithuanian president and Lebanese prime minister here today.

During his meeting with Lithuanian President Algirdas Brazauskas, Qian said the forthcoming visit to China by the Lithuanian president will be an important event in the relations between the two countries, and he believed that the visit would be a complete success.

"The Chinese Government treasures the friendship between the peoples of the two countries, pays great importance to developing the bilateral relations, and highly evaluates the positive attitude of the Lithuanian Government toward the development of the Sino-Lithuanian relations," Qian said.

Qian noted that China understands and respects the domestic and foreign policies of Lithuania and supports the efforts of the Lithuanian Government in safeguarding the country's independence and developing its economy.

China, while hoping Lithuania to have friendly ties with neighboring countries, will like to see stability and prosperity in the Baltic region, Qian added.

Brazauskas briefed Qian on Lithuania's domestic situation, praised the achievements China has made in its economic reform and expressed his willingness to further develop Lithuania's friendship and cooperation with China.

While meeting with Rafiq al-Hariri, prime minister of Lebanon, Qian said that he appreciated the continuous efforts the Lebanese Government and people have made in safeguarding the sovereignty and territorial integrity of Lebanon as well as in realizing the national reconciliation and rebuilding their country.

The Chinese Government and people treasure their friendship with Lebanon and are willing to develop economic and trade relations with the Mideast country, Qian said, adding that China will be happy to render its help to Lebanon in its reconstruction.

Al-Hariri expressed his gratitude to China for its consistent support to Lebanon.

He also called for closer economic and trade ties between the two countries.

The two men also exchanged views on the current situation in the Middle East.

#### Talks With Various Foreign Ministers

OW 2909083193 Beijing XINHUA in English 0750  
GMT 29 Sep 93

[Text] United Nations, September 28 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen today met foreign ministers from Norway, Australia, India, Spain, Egypt and Pakistan.

When meeting with Indian Minister Dinesh Singh, Qian said the early September visit to China by Indian Prime Minister Narasimha Rao was a success and the meetings between leaders of the two countries further enhanced mutual understanding.

Qian also said that the boundary peace and security documents and others signed by both sides had energized the development of Sino-Indian relations.

The Chinese minister said that he hoped to expand cooperation between the two countries in the fields of economy, trade, science and technology through joint efforts and more frequent exchanges.

Singh noted China and India were large countries, so the development of their friendly cooperation was of great importance to peace in Asia and the world.

On relations with Spain, Qian told Spanish Foreign Minister Javier Solana that Sino-Spanish relations were good, and that the frequent visits by their leaders have helped promote mutual understanding, with their economic cooperation ever increasing.

Qian hoped both countries to keep up the momentum of high-level political contacts and to bring such a good relationship to a new height.

They both said that the recent visit to Spain by Chinese Vice President Rong Yiren was very successful.

Solana said this, as well as political cooperation at the United Nations and the growth of economy and trade between the two countries, is a manifestation of their good relationship.

Qian and Australian Foreign Minister Gareth Evans exchanged views on the situation in Asian and Pacific region. Qian said the settlement of the Cambodian issue had a positive effect on stability in this area and the international community should support the Cambodian people in solving their own problems.

On the situation on the Korea peninsula, Qian pointed out that China had constantly maintained a nuclear free and stable peninsula. He stressed that to solve the existing problems, very patient work was needed.

During the meeting with his Pakistani counterpart, Qian noted that there was no problem in Sino-Pakistani relationship, which was very friendly, saying that the two countries often supported each other and had close cooperation with each other.

Qian told Johan J. Holst, foreign minister of Norway, during their meeting that he was satisfied with the development of exchanges and cooperation between China and Norway since the establishment of diplomatic ties between the two countries.

Qian, during his meeting with Egyptian Foreign Minister 'Amr Musa, spoke highly of Egypt's persistence in solving Mideast problem politically and its unremitting efforts in actively pushing forward negotiations between the Palestine Liberation Organization and Israel to a substantial progress.

Musa briefed Qian about recent new developments in the Middle East and the peace progress there.

#### Official Speaks in Geneva on GATT Membership

OW 2809144093 Beijing XINHUA in English 1405  
GMT 28 Sep 93

[Text] Geneva, September 28 (XINHUA)—China said today that it is ready to sign the final act of the Uruguay Round and hopes the negotiation on China's membership in the General Agreement on Tariffs and Trade (GATT) would conclude at the earliest [sentence as received]

The statement was made by Gu Yongjiang, Chinese vice minister for foreign trade and economic cooperation, at the 15th session of the working party on the resumption of China's status in GATT, which opened in Geneva today.

"What is most needed at this moment is to wind up the negotiation on China's GATT membership at the earliest, so that China will be able to implement the obligations committed in the Uruguay Round," he said.

The session of the working party coincides with the final count-down stage of the Uruguay round, which was initiated in 1986 and was delayed several times due to disputes among major trading powers.

According to Gu, China is prepared to submit very soon its schedules of concessions in the agricultural and non-agricultural goods in order to push forward the Uruguay Round, which China is attending.

"The offer in the agricultural goods will include 800 tariff lines, and the offer in the non-agricultural goods will cover 4,583 tariff lines," the vice minister noted.

"China will conduct negotiations on tariff concessions regarding the above-mentioned tariff lines, which will be included into China's schedule of concessions upon agreement," he added.

"This schedule will serve as the annex to the protocol of resumption of China's GATT contracting party status, and also be regarded as contribution made by China to the Uruguay Round," he told the delegates.



The delegates from GATT contracting parties are expected to discuss informally the protocol for China's accession to GATT until the end of the week.

The Chinese delegates will give more clarifications on the recent developments in their country's trade regime.

At the opening of the session, Gu briefed the GATT members on China's recent reforms in the financial, fiscal, investment and planning systems and development in trade.

He said that stimulated by the strong domestic demand and the relaxation of import control, China's imports in the first half of this year surged by 23.2 percent over the same period last year.

On the other hand, the exports sluggishly grew merely by 4.4 percent over that of the same period last year, which was far behind the growth rate of the national economy, he noted.

He expressed the hope that imports and exports can score "a long-term, balanced and fast growth."

He said that the prospect of China's economy is still very promising. Its growth rate in the year is expected to be slightly lower than last year.

China's GDP growth rate was 14 percent in the first half of the year and is expected to reach 13 percent by the end of the year.

#### **'Observers Speculate' on Yeltsin Visiting Japan**

*OW2809042393 Beijing China Radio International in Russian 1900 GMT 27 Sep 93*

[Text] According to our Tokyo correspondent, Russian Federation President Boris Yeltsin will officially visit Japan 12 October. Russian Foreign Minister Andrei Kozyrev and Japan Foreign Minister Tsutomu Hata reached agreement on this at a 25 September meeting in New York, where both are attending the 48th session of the UN General Assembly.

Observers speculate that it is difficult to predict whether Boris Yeltsin will be able to visit Japan to discuss the northern territories issue at the planned time due to the present alarming internal situation in Russia.

#### **Comparison of Reaction to Olympic Committee Choice**

*HK2409144393*

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 24 September carries on page 1 a 900-character "commentator's article" on the Olympic Committee's selection of Sydney, Australia, as the host city of the 2000 Olympic Games. This article, entitled "Firmly Marching Forward to the World," has been compared to the Beijing XINHUA English version, called a "commentary," published in the 24 September China DAILY REPORT, pages 4 and 5, revealing the following variation:

Page 4, column two, paragraph one, sentence one reads: [Text] Beijing, 24 Sep—"According to reports from Monte

Carlo, Monaco, the 101st session of the International Olympic Committee (IOC) has decided by votes that Sydney of Australia is to host the 27th Olympic Games in the year 2000. (deleting sentence)

Page 5, column one, paragraph one, sentence two reads: Bidding itself is a process of participation, a process of improving China's socialist material and spiritual civilization, of invigorating national spirit, and of strengthening the nation's coherent force. (changing wording)

Same page, same column, paragraph two, sentence one reads: "We should realize that the most important thing is to have a high aspiration if we want to achieve something, to be understood and trusted by others. (adding words)

Same page, same column, paragraph three, sentence one reads: "The whole party and the whole Chinese people shall stick even more to the party's basic line of 'one central task, two basic points,' make efforts to build socialism with Chinese characteristics, and focus our efforts on strengthening the economy. All our goals, whatsoever, will be fulfilled when national strength has been enhanced and the country has taken on a new look. (changing wording)

Same page, same column, paragraph four, sentence one reads: "It is a traditional, graceful bearing of the Chinese people not to be dizzy with success and not to be discouraged by failures. 'A wide scene is good for a broad view.' We still have chances. We are confident that the day will not be far away when the five-ring Olympic flag will be hoisted over China, a country with 9.6 million square km of territory, one-fifth of the world's population and a history of civilization over 5,000 years. Let's strive for that day!" (adding words)

#### **United States & Canada**

##### **XINHUA Reports on Clinton's UN Address**

*OW2809145893 Beijing XINHUA Domestic Service in Chinese 1202 GMT 28 Sep 93*

[Text] United Nations, 27 Sep (XINHUA)—U.S. President Clinton delivered a speech to the 48th UN General Assembly session on 27 September, expounding the U.S. position on the U.S. role in international affairs, peace-keeping activities, arms control, sustainable development, and other issues.

In speaking on the international situation, Clinton said the dark clouds of nuclear war that had loomed over the world had disappeared but "grave threats still exist." He said: Two completely opposite forces currently exist in the world. Global economic and technological development has driven the world closer to unity and prompted all nations to cooperate more closely with each other. However, this tendency has also ended the economic independence of all nations and, while quickening the pace of change, has touched off racial and religious conflicts.

Clinton said: After the end of the Cold War, the United States should use more of its energy to solve its domestic

problems. Although domestic rejuvenation is the overriding task, isolationism and protectionism are still harmful. The United States will continue to take the lead in participating in international affairs and will try to "play a fulcrum role in bringing about change and play a pivotal role in preserving peace." He claimed: On issues such as arms control, trade, and peacekeeping, the United States will do its best to cooperate with other countries and international organizations, such as the United Nations. However, when the United States believes that its own or its allies' "vital interests" are threatened, it will not hesitate to act unilaterally.

Clinton said that strengthening the democratic system worldwide based on the market economy is the United States' primary task. He also claimed that, to prevent the proliferation of weapons of mass destruction, the United States will urge all countries to sign an international agreement to permanently ban the production of plutonium and high-grade uranium for nuclear weapons.

In speaking on UN peacekeeping efforts, Clinton said the United Nations had made great progress in keeping the peace; however, improvement was still needed to enable it to adapt to change. He said that he supported the idea of establishing a peacekeeping headquarters which would assess the military and financial situation before taking action. He said the United States would pay the costs it has promised for UN peacekeeping but hoped the United Nations would reduce the United States' share.

Clinton said the United States would actively participate in economic cooperation with all countries. He said that a prosperous Russia would not only make the world safer but would also contribute to global economic development. He said that China's continuously growing economic strength will benefit Asia and even the whole world.

#### U.S. Conventional Weapon Detonation Noted

HK2809061593 Beijing XINHUA Domestic Service in Chinese 0827 GMT 25 Sep 93

[Text] Washington D.C., 24 Sep (XINHUA)—On 24 September, California's Lawrence Livermore National Laboratory, administered by the Department of Energy, detonated a nonnuclear device which was claimed to be the largest in history. The purpose of the test was to determine if there would be different earthquake signals caused by a nuclear blast and an explosion of conventional dynamite, under the same geological condition and with the same energy.

The device was a powerful conventional explosive substance of 1,310 tonnes of ammonium nitrate and diesel oil. This kind of "purely experimental" explosion was carried out in a tunnel 1,600 meters underground, in a 3,500-square meter testing ground in Nevada. It generated an amount of energy equivalent to an 1,000-tonne nuclear bomb. According to information, the technological data provided by this experiment will aid in inspecting the location of nuclear tests and earthquake monitoring work.

Official observers at the scene were from the United Kingdom, China, Egypt, Finland, France, Germany, Indonesia, Italy, Japan, Romania, and New Zealand.

#### U.S. Weekly on 'Cold War Mentality' in Trade

HK2809065593 Beijing XINHUA Domestic Service in Chinese 0811 GMT 25 Sep 93

[By reporter Wang Pingxing (3769 1627 5281)]

[Text] New York 24 Sep (XINHUA)—In its current issue, U.S. BUSINESS WEEKLY carries a commentary indicating that Western countries continue to restrict their export of high technology products, and the Cold War in this arena is still going on.

To strive for support of high technology companies, the Clinton administration is proposing a relaxation of restrictions on computer products. Hopefully, the Department of Commerce will publish its program on relaxing restrictions that aim at promoting exports on 30 September. Later this fall, the U.S. Administration is likely to ease restrictions on the export of super computers.

The commentary points out that to U.S. high technology companies, these measures are worth welcoming, however, they are far from enough, because the new products they are developing will continue to come under export restrictions. In addition, although the Cold War is over, the U.S. Administration's move on relaxing restrictions is applicable to its allies only.

An expert of a world economic research center indicated that export restrictions have caused U.S. firms annual losses of \$30 billion, he said, "we are still acting in the Cold War mentality."

Many companies in the United States are planning to export to China and the areas of the former USSR, but their actions continue to come under the restrictions of the 17-country Coordinating Committee on Export Control [COCOM]. In the wake of relaxing restrictions on exports to allies, the United States will seek to revise related COCOM regulations.

The commentary indicates that perhaps it will not be easy to revise the COCOM regulations. European COCOM members, headed by Germany, require the United States to relax restrictions on advanced telecommunications equipment as a condition in exchange for computer exports. However, U.S. security organizations oppose such a practice, fearing a relaxation on optical fiber telecommunications equipment would impede their bugging activities. On the same grounds, they also oppose a relaxation of restrictions on the export of double-density [jia mi 0502 1378] software technology.

The commentary says that to break the deadlock, the Clinton administration must adopt more resolute action to revise the regulations on export restrictions.

### Jilin Delegation Departs Canada for U.S.

SK2809062093 Changchun JILIN RIBAO in Chinese  
18 Sep 93 p 1

[Text] A seven-member Jilin provincial delegation led by Comrade He Zhukang ended its nine-day visit to Canada and left for the United States on 15 September. During its visit to Canada, the delegation respectively held meetings in Vancouver and Toronto to brief the audience on Jilin Province's situation in carrying out economic and trade cooperation with foreign countries, signed letters of planning on contacts between Jilin Province and Saskatchewan Province during the 1993-1994 period in Regina city, met with friends from all walks of life and many business clients, signed a number of economic and trade cooperation contracts and agreements, expanded Jilin's influence, and promoted our province's opening.

The delegation visited Canada at the invitation of Roy Romanow, premier of Saskatchewan Province. The delegation left Changchun on 3 September, flew from Beijing to Vancouver, the western city of Canada, on 6 September, and arrived in Saskatchewan Province on 8 September. Premier Romanow met with all members of the delegation at the provincial parliamentary building. Both sides were satisfied with the results of contacts between the two provinces. The delegation also paid an official call to Madam Fedoruk, lieutenant governor of Saskatchewan Province, met with Former Premier Devine and Shinaide [name as published], director of the western regional economic development department of the Federal Government of Canada. Both sides conscientiously and meticulously discussed the draft "1993-1994 Plan for Developing Contacts Between Jilin Province and Saskatchewan Province," and reached an identical view.

The delegation respectively held meetings to explain our province's economic and trade cooperation with foreign countries in Vancouver and Saskatchewan Provinces on 7 September and 13 September. The meetings were grand and enthusiastic, the guests participated in the meetings enthusiastically, the results were gratifying, and the meetings were very successful. During the visit, the delegation signed 14 economic and technological cooperation projects with a total investment of \$293.5 million, and used \$208 million in foreign capital. Of these, two contracts involved a total sum of \$90 million and the other agreements and letters of intent involved \$203.5 million. The export trade involved nine varieties of products and the export volume reached \$8.85 million. In addition, the delegation also conscientiously explored ways to carry out more than 40 projects with the Canadian businessmen. Both sides decided to further carry out work related to these projects.

### Central Eurasia

#### Reportage on Russian 'Political Crisis' Continues

##### Yeltsin Opposes Use of Force

OW2809171993 Beijing XINHUA in English 1528  
GMT 28 Sep 93

[Text] Moscow, September 28 (XINHUA)—Russian President Boris Yeltsin will not use force to end the political

crisis in his country though the government has tightened security around the parliament building, Yeltsin's spokesman Anatoly Krassikov said today.

The reinforcements were brought in for security reasons, he said.

"But we will not use force," he added.

It was reported earlier that Russian police authorities today gave those inside the parliament building an ultimatum to surrender their arms within 24 hours as the interior troops were tightening their siege around it.

Police officers used loudspeakers to broadcast the ultimatum which would expire around 0800 GMT Wednesday [29 September].

However, the ultimatum did not specify what would happen if the defenders inside did not turn in their weapons.

President Boris Yeltsin announced the dissolution of parliament and new elections a week ago. But lawmakers stayed in the parliament building known as the White House.

Dozens of guards and volunteers inside the building piled rocks and stood at barricades as commanders barked orders.

Interior Ministry troops are ringing the parliament building and grounds.

The Interior Ministry said that the area is being cordoned off to prevent trouble.

All those who stay in the building can leave only through an exit. But people, including reporters, are not allowed to enter the White House.

#### Forces 'Clashed' at Parliament

OW2809202993 Beijing XINHUA in English 1950  
GMT 28 Sep 93

[Text] Moscow, September 28 (XINHUA)—Hundreds of Russian parliament supporters clashed here this evening with Interior troops and policemen controlled by President Boris Yeltsin.

It is unknown whether there were deaths and injuries or not.

Some people, who back the parliament, were trying to break the encirclement and enter the White House headquarters of the parliament, but the troops and policemen were holding them back by force.

Passers-by including journalists were not allowed to get near the area of the parliament building.

This morning thousands of troops and policemen reinforced their encirclement around the White House. Traffic in this area was banned.

However, First Vice-Premier Oleg Soskovets earlier today denied the reports that there will be a storm upon the parliament building.

#### **Gunshots Reported at Parliament**

*OW2809234093 Beijing XINHUA in English 2317  
GMT 28 Sep 93*

[Text] Moscow, September 29 (XINHUA)—About 30 gunshots were heard at dawn outside the parliament building, where some 200 Russian lawmakers are encircled.

However, it still can't be identified whether the gunshots came from or into the White House.

Hundreds of soldiers are keeping moving quickly toward the Russian parliament, so far there is no indications that the troops will intrude into the parliament building.

#### **Troops Move Toward Parliament**

*OW2909012493 Beijing XINHUA in English 2351  
GMT 28 Sep 93*

[Text] Moscow, September 29 (XINHUA)—About 30 gunshots were heard at 01:00 local time Wednesday [29 September] outside the Russian parliament, while hundreds of Russian troops are moving quickly toward the encircled White House.

So far, it is still unknown whether these gunshots came from the supporters of the lawmakers or from President Boris Yeltsin's forces outside the building and no casualties were reported at the moment.

The unprecedented show of force by riot police and Interior Ministry troops trying to force the parliamentarians, surrounded in the White House for a week, into submission triggered fears of impending violence.

The Russian police authorities gave those inside the parliament building an ultimatum on Tuesday to surrender their arms within 24 hours. The ultimatum will expire around 08:00 GMT today. But what will happen is extremely unpredictable.

#### **Troops 'Enlarging' Cordons**

*OW2809234193 Beijing XINHUA in English 2210  
GMT 28 Sep 93*

[Text] Moscow, September 28 (XINHUA)—Russian interior troops and riot police are enlarging cordons round the Russian parliament building tonight, only several hours after their clash with hundreds of angry protesters.

People including foreign journalists are not allowed to enter the area.

At about 19:00 local time [1600 GMT], several hundred of angry protesters tried to break through a riot police cordon round the parliament building, known as the White House.

The protesters were assisted by crowds of some four thousand people who rallied in favor of the parliament.

#### **Russian Security Council To Meet 29 Sep**

*OW2909012593 Beijing XINHUA in English 0010  
GMT 29 Sep 93*

[Text] Moscow, September 28 (XINHUA)—The Russian Security Council will hold a meeting Wednesday [29 September] to seek for an effective way to calm the current political crisis between parliament and President Boris Yeltsin, the ITAR-TASS news agency said Tuesday.

On Tuesday evening, hundreds of protesters who support the parliament clashed with the interior troops and riot police who enhanced cordon round the parliament building, known as the "White House".

The protesters assisted by a crowd of about four thousands people gathering in favor of the parliament tried to break through the cordon at about 19:00 local time.

Moscow Mayor Yuriy Luzhkov told reporters Tuesday evening, "the situation at the parliament building remains explosive."

He said some 600 people with fire arms are still staying at the White House. "The building must be freed without clashes," he added.

#### **'Violence' Occurs at Russian Parliament**

*OW2909062293 Beijing XINHUA in English 0133  
GMT 29 Sep 93*

[Text] Moscow, September 28 (XINHUA)—Hundreds of riot police outside the parliament building clashed today with demonstrators who were trying to break through the barricades surrounding the sealed building.

Thousands of anti-Yeltsin protesters poured at the White House, the parliament headquarters, where the lawmakers were defying President Boris Yeltsin's order dissolving the legislature, a Russian television reported.

Police wearing bulletproof vests and holding riot shields lined the streets around the building and kept chasing the demonstrators away. No injuries were reported.

Reports said the Interior Ministry issued an order to ban pedestrians and vehicles in the streets near the White House.

The violence occurred after the police imposed a tight blockade of the parliament.

After Yeltsin announced to dissolve the parliament on September 21, the situation in Russia has been worsening.

First Vice Chairman of the Presidential General Office Krasavchenko said today that Yeltsin refused to have dialogue with the lawmakers holing up in the White House.

#### **Mayor: Situation 'Explosive'**

*OW2909062393 Beijing XINHUA in English 0136  
GMT 29 Sep 93*

[Text] Moscow, September 29 (XINHUA)—The mayor of Moscow, Yuriy Luzhkov, said late Tuesday [28 September] night that the situation around the Russian parliament building remained "explosive."



He told reporters that some 600 people with firearms were still staying at the White House, the headquarters of the parliament.

However, "the building must be freed without clashes," the mayor stressed.

Hundreds of protesters supporting the parliament clashed with the interior troops and riot police who have enhanced the cordon around the White House.

The angry protesters, assisted by a crowd of about 4,000 people gathering there in support of the parliament, tried to break through the cordon at about 19:00 local time.

The riot police backed by the interior troops gradually pushed the angry protesters back to the nearby streets. No injuries were reported.

All the passers-by including reporters were not allowed to enter or go near the area. Every street leading to the parliament building has been blocked with military vehicles and barbed wire.

The ITAR-TASS news agency reported that several "hooligan groups" tried to block the traffic in the area of the Barrikadnaya Metro Station, the Vosstaniya Square, the Gertsen Street and the Sadovoye Ring Road.

#### **Zorkin Urges 'Zero Option' To Resolve Situation**

*OW2909061393 Beijing XINHUA in English 0126 GMT 29 Sep 93*

[Text] Moscow, September 28 (XINHUA)—Russian Chief Justice Valeriy Zorkin reiterated today his "zero option," stressing the need to repeal all the decrees and documents issued by President Boris Yeltsin and the rival parliament.

He said the Constitutional Court demands the presidential decree on dissolving the parliament and all other documents adopted by the two conflicting sides since the current political crisis erupted be annulled.

The president of the court said he wanted the federal and local authorities to invalidate all the laws and resolutions adopted after 20:00 local time, September 21.

Local media reports quoted Zorkin as saying the documents included those concerning the appointment of Aleksandr Rutskoy as acting president, the appointments of parallel ministers, amendments to the Criminal Code as well as other parliamentary decisions.

He also called on the government led by President Yeltsin and the parliament to refrain from the use of force.

On Monday [27 September], both President Yeltsin and parliament Speaker Ruslan Khasbulatov rejected the "zero option" proposed by Zorkin in an effort to solve the country's constitutional crisis.

Yeltsin told a Russian television Monday that he would not accept the "zero option" under which the parliament would be restored with limited powers pending simultaneous elections in June.

He insisted that parliamentary elections be held in December to be followed by presidential elections in June.

"Dual power is dangerous today, and a power vacuum is even more dangerous, when both powers (parliament and president) are engaged in elections and have no time to work," he said.

Last Tuesday, Yeltsin dissolved the parliament and announced new elections.

Also on Monday, parliament speaker Khasbulatov told reporters that he rejected the option.

However, he noted that the Congress of the People's Deputies has decided to hold simultaneous parliamentary and presidential elections by March.

#### **Northeast Asia**

##### **Li Lanqing Addresses Reception in Seoul**

*SK2909004993 Beijing China Radio International in Korean 1100 GMT 28 Sep 93*

[Text] Li Lanqing, PRC State Council vice premier on a visit to the ROK, said in Seoul on 27 September that China hopes to develop relations of friendship, amity, and neighborliness with adjacent countries, including the ROK. He added that the development of friendly and cooperative relations between China and the ROK is not only beneficial to the people of both countries but also to the peace and security of the Korean peninsula and the Asia-Pacific region. He made these remarks at a welcoming reception hosted by Kim Chol-su, minister of trade, industry, and resources.

Vice Premier Li said friendly and cooperative relations between China and the ROK have developed remarkably in various areas since the two countries established diplomatic ties one year ago. This reflects the fervent aspirations between the people of both countries, who wish to be on good terms for generations to come and to prosper together.

Minister Kim Chol-su said that the remarkable change in China in recent years has received global attention and admiration. He pointed out that economic cooperation between the two countries is developing rapidly and the two countries became important partners. He added that the various obstacles between the two countries should be removed, and he hoped that exchange and cooperation in various fields would be expedited.

##### **Beijing, Seoul Sign Satellite Contract**

*OW2809115893 Beijing XINHUA in English 0956 GMT 28 Sep 93*

[Text] Taejon, South Korea, September 28 (XINHUA)—China and South Korea today signed a contract on jointly manufacturing satellites for engineering test.

The contract signed by the Chinese Academy of Space Technology (CAST) and the Satellite Research Center at the Korea Advanced Institute of Science and Technology (KAIST).

#### **Hebei Plans Cement Plant With ROK Businessmen**

*SK2309131393 Shijiazhuang HEBEI RIBAO in Chinese 14 Sep 93 p 1*

[By reporter Bai Shihong (4101 1807 1347): "Ye Liansong Meets With Korean Guests"]

[Text] On the morning of 13 September at the Hebei Guesthouse, Governor Ye Liansong met with Mr. Chae Ho-sok, president of the Korean Pomyang Corporation; and Mr. Chong Kwang-ok, vice president of the Korean Heavy Industrial Corporation.

The Korean guests plan to build a cement plant in cooperation with the Wushan Cement Plant of Qinhuangdao city. This project was defined through the talks between Governor Ye Liansong and Mr. Chae Ho-sok in the ROK last March. Through consultations and talks on several occasions, both sides reached an agreement.

The Korean guests indicated that following the successful completion of the plant, the Korean side will build another cement plant in Wushan, with an annual capacity of 3 to 5 million tons of cement. The Korean guests hope that the Hebei provincial government will support the progress of this project as well as future projects.

#### **Shandong Opens Longkou-Kobe Container Line**

*SK2709022493 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 Sep 93*

[Text] With the approval of the Ministry of Communications, Longkou Port recently opened a regular container cargo ship service to Japan's Kobe Port, another new international line since one opened to Hong Kong last October. Two scheduled voyages a month have been tentatively decided—on the 10th and the 25th. Some of the goods will be transferred to the United States and Canada via Kobe Port.

### **Near East & South Asia**

#### **Israeli Prime Minister To Visit 10-14 Oct**

*OW2909031093 Beijing XINHUA in English 0302 GMT 29 Sep 93*

[Text] Beijing, September 29 (XINHUA)—Yitzhaq Rabin, prime minister of the State of Israel, and his wife will pay an official good-will visit to China from October 10 to 14, at the invitation of Chinese Premier Li Peng, announced a Chinese Foreign Ministry spokesman here today.

#### **Labor Firm Optimistic Over Mideast Prospects**

*HK2609072593 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 26 Sep 93 p 1*

[Report by Pan Zhongming: "Mideast Peace Could Boost Labour Exports"]

[Text] China Far East Construction Corporation is happy about the recent Middle East peace breakthrough. The overseas labour outfit thinks the recent accord will mean expanded business possibilities in Israel and other parts of the Middle East, an official with the corporation told Business Weekly last week.

Since the establishment of diplomatic ties between Israel and China in January 1992, contact has moved from only cultural exchanges to trade and government links.

With the impetus provided by the diplomatic ties, the construction company began to increase contacts with its Israeli counterparts—looking for construction projects. However, until now it has not yet landed any major contracts.

In late July and early August this year, the company sent a delegation to Israel to discuss co-operative projects with Israeli counterparts. Israeli businessmen and entrepreneurs agreed to launch some co-operative projects after several rounds of talks with the delegation.

In early 1993, Tan Qinglian, Vice-Minister of the Ministry of Construction, visited Israel at the invitation of its chamber of commerce.

Meanwhile, the China State Construction Engineering Corporation (CSCEC) is also seeking to expand its already well-established business in the Middle East.

Ten years ago, CSCEC set up five branches in Iraq, Jordan, Kuwait, the United Arab Emirates, Yemen and three in North African countries.

It is now planning to set up a regional branch corporation covering Jordan, Iraq and Lebanon.

The main goal of the regional corporation at present is to seek co-operative business opportunities in Lebanon and explore the possibility of entering Israel.

In early 1992, CSCEC returned to Kuwait to continue its operations there. Kuwait was the first place the corporation returned to after the end of the Gulf War.

The company's business volume in Kuwait is expected to reach \$10 million this year.

The corporation had 600 staff in its Kuwait branch before the Gulf War, but that has shrunk to the current level of 450. The staff is expected to reach 600 again in early 1994.

"With the changes in the world economy in recent years, the hot spot for the contract construction industry will be in Asia and Pacific regions," said Yang Xinghua, general manager of the international department of the corporation. "But we will try our best to keep our share in the Middle East while developing new areas and seeking opportunities for further development."

The corporation enjoyed a business volume of \$490 million in 1991. Of that total, \$13 million, or 4 percent, came from the Middle East. In 1992, the worldwide business volume of the corporation reached \$570 million, with \$23 million from the Middle East.

By the end of this June, the business volume of the corporation in Kuwait alone had reached \$7.75 million.

Although the corporation's business volume in the Middle East dropped substantially since 1990, it will pick up soon through its own efforts and the co-operation of its partners the friendly businessmen worldwide, Yang said.

#### **Beijing To Establish Trade Ties With 'Palestine'**

HK2609072693 *Beijing CHINA DAILY (BUSINESS WEEKLY) in English* 26 Sep 93 p 1

[Report by Wang Yu: "China, Palestine To Forge Trade Ties"]

[Text] China is planning to get actively involved in Palestine's economic reconstruction, a senior Chinese trade official has revealed.

The official says the recent reconciliation between Palestine and Israel, which has eased tension in the Middle East, will clear the way for enhanced Chinese economic collaboration with the region.

Business Weekly has learned that the Ministry of Foreign Trade and Economic Co-operation (Moftec) is studying new strategies for development in the Middle East, but firm details are not available.

Chen Guangming, deputy director general of Moftec's West Asia and Africa Department, has also revealed that China, which attaches importance to its long-term friendly relations with Palestine, will look for ways to develop two-way economic co-operation.

His remarks are made against the backdrop of Palestine Liberation Organisation (PLO) Chairman Yasir 'Arafat's latest visit to China last week.

However, Chen did not divulge what immediate and concrete steps China will take to get involved in Palestine's reconstruction.

Palestine has put forward big-ticket reconstruction plans, which are expected to call for international aid of about \$5 billion in the next decade.

'Arafat and Israeli leader Yitzhaq Rabin ended decades of enmity with an historic handshake on September 13 at the signing of a peace accord giving self-rule to Palestinians in Israeli-occupied lands.

"If the Palestine-Israeli accord is implemented China's economic ties with the Middle East will take a major stride forward," Chen says in an interview with Business Weekly.

In fact, China's trade with the Arab countries in the Middle East has already expanded steadily in the past few years. Trade with Israel also has grown.

Chen describes China's trade with the Arab nations as mutually complementary.

China buys, oil, fertilizer and petrochemical products from them, while exporting light and textile products, native produce, metals and minerals.

China's trade with the Middle East, including Israel, reached \$2.26 billion last year.

The leading partners were the United Arab Emirates (\$608 million), Saudi Arabia (\$572 million), Oman (\$455 million) and Yemen (\$148 million).

As for trade with Iraq, Chen says China is firmly carrying out the United Nations Security Council's resolution No. 661.

Despite growth in trade with the Middle East, Chen says the pace is undesirably slow.

And China's trade with the Middle East makes up only a bit more than 1 percent of the region's overall foreign trade volume.

Chen says China's economic co-operation with the region, such as labour and engineering services, has remained on a small scale.

But he adds China will continue to provide some nations in the region with proper economic aid.

#### **Wu Xueqian Receives Tunisian Visitors 28 Sep**

OW2809174093 *Beijing XINHUA in English* 0925 GMT 28 Sep 93

[Text] Beijing, September 28 (XINHUA)—Wu Xueqian, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met here this afternoon with a delegation from the alumni organization of the National Institute of Administration of Tunisia.

The delegation is headed by President of the Institute Maher Kamoun, who is first vice chairman of the alumni organization. The group arrived on September 26 for a goodwill visit, at the invitation of the Association for International Understanding of China, of which Wu Xueqian is the president.

#### **Sri Lanka Ceremony Marks PRC National Day**

OW2809173393 *Beijing XINHUA in English* 1454 GMT 28 Sep 93

[Text] Colombo, September 28 (XINHUA)—The Sri Lanka-China Friendship Association held a public meeting here this evening to celebrate 44th anniversary of the founding of the People's Republic of China.

Tyronne Fernando, information and broadcasting minister of Sri Lanka, Dharmasiri Senanayake, member of Parliament, Chinese Ambassador to Sri Lanka Zhang Lian and about 400 people attended the meeting.

In his speech, Minister Fernando noted the relations between the two countries are very friendly and cordial, and expressed the hope that the friendly relations and cooperation between the two countries would grow continuously.

In her speech, Ambassador Zhang Lian briefed the meeting on the current political and economic situation in China

and thanked the Sri Lanka-China Friendship Association and friendly personages from all walks of life for their efforts in promoting mutual understanding and friendship between the two countries.

#### **Cultural Week Begins in Kathmandu**

*OW2809173893 Beijing XINHUA in English 1250  
GMT 28 Sep 93*

[Text] Kathmandu, September 28 (XINHUA)—Chinese Cultural Week opened here this afternoon on the occasion of 44th anniversary of the founding of the People's Republic of China.

The cultural week is organized by Arniko Society, which consists of Nepalese who had studied in China, to introduce China's recent economic developments and cultural tradition to the Nepalese people and promote the cultural exchange between the peoples of the two countries.

During the cultural week, book exhibition, photo exhibition and film show will be presented in the city hall in Kathmandu.

Minister of Housing and Physical Planning Bal Bahadur Rai inaugurated opening ceremony and Chinese charge d'affaires also attended the ceremony.

### **Sub-Saharan Africa**

#### **Kenyan President Congratulates Jiang Zemin**

*OW2809211793 Beijing XINHUA in English 2047  
GMT 28 Sep 93*

[Text] Nairobi, September 28 (XINHUA)—Kenyan President Daniel arap Moi today sent a congratulatory message to Chinese President Jiang Zemin, on the occasion of China's National Day which falls on October 1.

President arap Moi said in his message that Kenya and China have had a long history of excellent relations characterized with fraternal friendship and fruitful cooperation.

President arap Moi expressed his desire that the cordial relations between the two countries be further strengthened for the mutual benefit of the two peoples.

#### **Embassies in Africa Mark PRC National Day**

##### **Envoy to Nigeria Holds Reception**

*OW2809003793 Beijing XINHUA in English 0015  
GMT 28 Sep 93*

[Text] Lagos, September 27 (XINHUA)—Chinese Ambassador to Nigeria Hu Lipeng Monday [27 September] gave here a reception to celebrate the 44th anniversary of the founding of the People's Republic of China. About 200 guests attended the reception which was held at the Chinese Embassy.

#### **Reception Hosted in Tanzania**

*OW2709232393 Beijing XINHUA in English 2120  
GMT 27 Sep 93*

[Text] Dar es Salaam, September 27 (XINHUA)—Chinese Ambassador to Tanzania Sun Guotong gave a reception here this evening to celebrate the 44th anniversary of the founding of the People's Republic of China.

Tanzania's ruling Revolutionary Party (CCM) secretary general and minister of state in the President's Office, Horace Kolimba, on behalf of CCM Chairman, President Ali Hassan Mwinyi and the Tanzanian Government, attended the reception.

Among more than 200 guests at the reception were CCM and some high-ranking government officials, diplomatic envoys and Chinese Embassy's officials as well as representatives of the Chinese expert teams and companies working in Tanzania.

During the reception, the visiting China Shanxi Art Performing Troupe gave acrobatic and magic performances, which made the function full of festival atmosphere.

Meanwhile, a 10-day China cultural festival, co-sponsored by the Ministry of Education and Culture of Tanzania and the Embassy of the People's Republic of China in Tanzania, has been held here since September 20, in celebration of the 44th anniversary of the founding of the republic.

#### **Envoy to Zambia Receives Guests**

*OW2709232193 Beijing XINHUA in English 2113  
GMT 27 Sep 93*

[Text] Lusaka, September 27 (XINHUA)—Chinese Ambassador to Zambia Yang Zengye gave a grand reception here this evening to mark the 44th anniversary of the founding of the People's Republic of China.

Among some 600 guests present at the reception were Zambian Minister of Defense Ben Mwila, Minister of Home Affairs Newstead Zimba, Minister of Communications and Transport Andrew Kashita, Minister of Information and Broadcasting Services Remmy Mushota and some other high ranking government officials.

### **West Europe**

#### **Wu Yi Seeks Closer Economic Ties With Austria**

*OW2909061593 Beijing XINHUA in English 0243  
GMT 29 Sep 93*

[Text] Vienna, September 28 (XINHUA)—The economies of China and Austria are supplementary to each other and have vast potentials for greater cooperation, visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi said today.

Meeting with Austrian Prime Minister Franz Vranitzky, Wu said China always attaches great importance to Sino-Austrian economic relations and hopes to further develop such ties.



Vranitzky said Austria has a positive appraisal of the development in bilateral trade and economic ties as an increasing number of Austrian enterprises are keen on investing in the Chinese market. The Austrian Government has given them full support, he added.

Earlier, Wu also met with Director General of the U.N. Industrial Development Organization (UNIDO) Mauricio Campos [name as received]. Both expressed satisfaction with the effective cooperation between China and UNIDO for the past more than 10 years and their willingness to further cooperate.

Also today, Wu gave a report at the Bank of Austria to Austrian dignitaries and entrepreneurs, reviewing Sino-Austrian trade economic development and explaining China's blueprint of economic development in the 1990s.

In 1992, China signed with Austria contracts on the transfer of technology, which totaled about 67 million U.S. dollars. In the first half of this year, Austria's investment in China surged to 29 million dollars, Wu said in her report.

China has announced 210 projects involving technological introduction and technical renovations at a total cost of 30 billion dollars between 1993 and 2000, she emphasized.

Wu arrived here last Saturday [25 September].

### East Europe

#### Zou Jiahua 'Optimistic' on Hungarian Trade Ties

OW2409224793 Beijing XINHUA Domestic Service in Chinese 0420 GMT 16 Sep 93

[By reporter Zhou Dongyao (0719 2639 5069)]

[Text] Budapest, 15 Sep (XINHUA)—Chinese Vice Premier Zou Jiahua, who is currently visiting Hungary, said during an interview with reporters on the afternoon of 15 September that he is optimistic about the prospects for Sino-Hungarian trade and economic cooperation.

Zou Jiahua said his visit has reinforced his belief that the two countries hold identical views on the question of safeguarding peace and seeking domestic development. He believes the visit has promoted mutual understanding and furthered relations between the two countries.

Zou Jiahua stated: There is potential for Sino-Hungarian trade and economic cooperation, and the areas of cooperation can be expanded. China stands for the establishment of multilevel, multichannel, and multiform relations of trade and economic cooperation. It encourages Chinese enterprises to promote direct cooperation with Hungarian enterprises and also welcomes Hungarian industrialists and businessmen to visit China and become familiar with China's market.

Zou Jiahua believes Sino-Hungarian relations will enjoy steady development as long as the two sides continue to adhere to the principles of mutual respect, equality, and

benefit; mutual noninterference in each other's internal affairs; and seeking common ground while allowing differences.

#### Hungarian Science Exhibition Opens in Tianjin

SK2809123493 Tianjin TIANJIN RIBAO in Chinese 16 Sep 93 p 1

[Text] The Hungarian Scientific and Technological Report Meeting and Exhibition ceremoniously opened at the municipal Science and Technology Consulting Building on the morning of 15 September, after consultations by the Chinese and Hungarian Scientific and Technological Cooperation Committees and with the approval of the State Council. It was held to celebrate the 40th anniversary of the signing of the scientific and technological cooperation agreement between the Governments of China and Hungary and to promote the in-depth development of scientific and technological exchanges and technological, economic, and trade cooperation between the two countries. Municipal leaders, including Zhang Lichang, Li Huifen; Wang Chenghuai; Zhang Zhaoru, Lu Yansun, vice minister of the Ministry of Machine Building and Electronics; responsible persons from the State Commission for Science and Technology; Pungor Erno, minister without portfolio and chairman of the State Technological Development Committee of Hungary; the Hungarian ambassador to China; and other Hungarian guests attended the opening ceremony.

This exhibition was attended by 54 representatives of 22 Hungarian companies and scientific research institutes and included exhibits of new technologies from the medical, chemical, iron and steel, machinery, food, and environmental protection industries. During the exhibition 23 professional report meetings on technological exchanges will be held, and six activities will be organized. More than 1,000 scientific and technical personnel and enterprise management personnel from Tianjin and all parts of the country will participate in the activities and exchanges.

Prior to the opening of the exhibition, Mayor Zhang Lichang met with a 54-member Hungary delegation led by Erno. On behalf of the municipal government, the mayor first extended a warm welcome to the Hungarian guests. Zhang Lichang said: The convocation of this scientific and technological report meeting and exhibition will surely strengthen mutual understanding between both sides and play an active role in promoting scientific, technological, economic, and trade cooperation between Hungary and Tianjin. He briefed the Hungarian guests on Tianjin's reform and opening up and welcomed Hungarian scientific, technological, and business people to Tianjin to carry out various types of cooperation. Mr. Erno thanked the Tianjin government for supporting this activity and expressed the hope for further strengthening of cooperation with Tianjin.

### Latin America & Caribbean

#### Satellite Development Protocol Signed With Brazil

OW2409234393 Beijing XINHUA Domestic Service in Chinese 0535 GMT 16 Sep 93

[By reporter Zhao Xiaozhong (6392 2556 6988)]

[Text] Brasilia, 15 Sep (XINHUA)—On 15 September in Brasilia, China and Brazil signed a supplemental protocol on important matters concerning joint development of earth resources satellites. The protocol consists of stipulations governing some important matters concerning the joint development of satellites by the two countries since July 1988.

Liu Jiyan, director of China's State Astronautics Bureau, and Jose Israel Vargas, Brazil's science and technology minister, signed the agreement. The two sides also signed a contract on countercontracting satellite structural parts [wei xing jie gou jian fan cheng bao he tong, 5898 2502 4814 2845 0115 0646 2110 0545 0678 0681].

In the agreement, China and Brazil affirmed that the two countries had made progress in jointly developing earth resources satellites and that positive results had been achieved in cooperation in the space technology field. The two countries also guaranteed that they will further strengthen cooperation in satellite launchings.

At the agreement signing ceremony Vargas said that joint development of earth resources satellites by Brazil and China has brought good prospects for the peaceful use of space. In his speech, Liu Jiyan stressed that the agreement and contract will play an important role in accelerating the joint development of earth resources satellites.

In July 1988, the Chinese and Brazilian Governments signed a protocol approving the development of earth resources satellites. In March 1993, Chinese Foreign Minister Qian Qichen and Brazilian Foreign Minister Cardoso signed in Brasilia a supplemental protocol approving the development of earth resources satellites. The two countries unanimously agreed to make an effort to send the first Sino-Brazilian earth resources satellite into orbit by the end of October 1996. The two sides also decided that the assembling, final installation, and testing of the second Sino-Brazilian earth resources satellite will be carried out in Brazil.

The China astronautics bureau delegation arrived in Brasilia on 13 September for a week-long visit to Brazil.

## Political & Social

### Further on Deng Pufang's Remarks at News Conference

OW2909043793 Beijing XINHUA Domestic Service in Chinese 1249 GMT 28 Sep 93

[By reporters Chen Yan (7115 7159) and Gao Xinghua (7559 5281 5478): Beijing XINHUA Domestic Service in Chinese at 1621 GMT on 28 September transmits a service message canceling the following item and replacing it with another version: the difference between the two versions is noted below]

[Text] Beijing, 28 Sep (XINHUA)—Deng Pufang, chairman of the China Disabled Persons' Federation, said today at a news conference hosted by the Information Office of the State Council, and attended by both Chinese and foreign correspondents, that China has made historical achievements which have attracted worldwide attention in work for the disabled. He stated: On the one hand, the disabled now have more opportunities to take part in social activities, and their living conditions have improved; on the other hand, we have opened up more areas to care for the disabled and have laid a foundation with Chinese characteristics for developing efforts for the disabled.

Deng Pufang explained: Since its founding in 1988, the China Disabled Persons' Federation has made efforts to enhance the undertakings of China's handicapped. In 1988 the State Council approved and circulated a "five-year work outline"—the first state plan for the welfare of the handicapped—to incorporate the handicapped's undertakings into overall plans and arrangements as well as to enable such undertakings to progress harmoniously with China's economic and social development. At present, all the tasks set in the "outline" have been more than fulfilled: The number of special education schools has increased from some 400 in 1988 to more than 1,100 currently; the enrollment of blind, deaf, and slightly retarded students has increased by 30 percent annually. In the past five years, more than 900,000 cataract patients received operations, and more than 320,000 patients suffering from the after-effects of poliomyelitis received orthopedic operations. Additionally, 38,000 deaf and mute children received hearing and language training. The number of welfare enterprises has risen to over 40,000 units, providing employment for more than 800,000 disabled. An experimental project requiring every enterprise to employ a fixed number of handicapped has been gradually implemented. At present, more than 10 provinces and municipalities have reported relatively successful experiences in the project.

Deng Pufang disclosed: On 5 October the State Council's Coordination Committee for the Work of the Disabled will hold a "summing-up meeting on the 'Five-Year Work Outline Regarding the Undertakings of China's Handicapped'" to review the achievements China has made over the past five years for its handicapped in areas such as rehabilitation, education, employment, environment, legislation, and cultural life, and to commend advanced

collectives and individuals who have excelled in the implementation of the "outline." The China Disabled Persons' Federation will also hold its second national congress in Beijing on 6 October to elect its new leadership and amend the federation's constitution.

Responding to reporters' questions, Deng Pufang indicated: The achievements accomplished by the undertakings of China's handicapped in recent years have reflected the concerns and support rendered by the party, government, and all of society, fully showing that China has attached great importance to guaranteeing human rights. He added: The handicapped are a special group with difficulties. The Chinese Government has paid attention to the handicapped's undertakings, and has made great efforts to resolve their problems to enable them to live like ordinary people, thereby surmounting a major problem in China and benefiting the common people.

[The 1621 GMT variant version adds the following paragraph: When reporters asked Deng Pufang about the condition of Comrade Deng Xiaoping, Deng Pufang replied: He is in very good health (ta shen ti fei chang jian kang 0100 6500 7555 7236 1603 0256 1660) and is leading the normal life of a retired old man. Of course, he is also interested in major state affairs and is concerned with reform and opening up. Deng Pufang added: China's reform and opening up are irreversible. They are the historical trend as well as the desire of all Chinese people. They will not change under any circumstances, and the pace of development will only be increased.]

### Beijing TV Report

OW2909073493 Beijing Central Television Program One Network in Mandarin 1421 GMT 28 Sep 93

[Announcer-read report over video with caption: "Deng Pufang Meets Chinese and Foreign Reporters"]

[Excerpts] [Video opens with long shot of conference room with four officials seated at a long table in front of about 150 reporters and cameramen, cutting to focus on Deng Pufang, seated in the middle, dressed in a light-colored business suit]

The Information Office of the State Council gave a news briefing at the Meidier Center in Beijing this morning. Deng Pufang, chairman of the China Disabled Persons' Federation, briefed reporters on major activities involving disabled people in early October as well as the development of undertakings for China's disabled people over the past five years. [video shows alternate close shots of Deng Pufang reading from a prepared script and pan shots of the audience] [passage omitted]

When a reporter asked about the state of Deng Xiaoping's health, and what will happen in China after his death, Deng Pufang said:

[Begin recording] My answer to this question, which has been asked repeatedly, has been published in newspapers many times. He is in very good health and leads the normal life of a retired old man. Of course, he is still concerned

with state affairs, reform and opening up. I can understand his feelings at his advanced age. However, I believe the trend of reform and opening up in China, which he has advocated, is irreversible. People throughout the country are clearly aware of the needs of developing the economy and taking the road of reform, opening up, and modernization, and they have already taken steps and progressed in this direction. Regardless of who is around or a certain person is in charge of the government, I believe this person will adhere to the direction of China's historical trend. Whoever takes charge shall do things according to the wish of the 1 billion Chinese people. This is why China's reform and opening up is irreversible. I personally am fully confident of this trend. China will, in any circumstances, not only persist in the task, but also accelerate the pace of economic construction and reform and opening up in order to build up the country and reinvigorate the Chinese nation. This historical trend is already irreversible and will not be changed because of personality factors. [end recording] [passage omitted]

#### **Zhao Ziyang Seen Playing Golf in Beijing 28 Sep**

*HK2809131693 Hong Kong Television Broadcasts Limited in English 1200 GMT 28 Sep 93*

[From the "News at Eight" program]

[Text] The former Chinese Communist Party boss, Zhao Ziyang, has made an appearance on a Beijing golf course. TVB [Television Broadcasts] News managed to get him on camera, but bodyguards prevented us from interviewing him. These exclusive pictures were taken this afternoon in a Beijing suburb. This is the first video of the disgraced party chief since he was stripped of power after the 1989 military crackdown. Zhao looked fit, if a bit older. He told reporters that he feels healthy, but his bodyguards put an end to further questions, saying that they were only obeying orders. [video shows medium to long-range shots of Zhao, standing and walking in the company of several other people]

#### **'Higher Authorities' Order Filming Stopped**

*HK2909035793 Hong Kong Television Broadcasts Limited in Cantonese 1030 GMT 28 Sep 93*

[Report from the "News at 6:30" program by Television Broadcasts Limited (TVB) reporter Lei Wei-leung in Beijing]

[Text] We saw Zhao Ziyang on a Beijing golf course this afternoon. He wore a light-colored shirt under a waistcoat and Western-style trousers. He looked fit, but a bit older than when he was general secretary of the CPC several years ago. Accompanying Zhao Ziyang were his daughter, son-in-law, a coach, and a white dog. There were also five or six men following him. One of them, who called himself a public security official from the Beijing Public Security Bureau, discovered us filming this video and stopped us from approaching Zhao Ziyang, saying it was an order from the higher authorities.

Zhao Ziyang played golf for two-and-a-half hours. When he was leaving, reporters asked him about his health, and he said that he was healthy. Obstructed by the plain-clothes officers around him, however, we were unable to ask him more questions. Since stepping down in 1989, Zhao Ziyang has been dismissed from all posts. According to the people working in the golf course, he goes there two or three times every week to play golf.

#### **Ministry Refuses To Give Information on Journalist**

*HK2909041893 Hong Kong SOUTH CHINA MORNING POST in English 29 Sep 93 p 5*

[By Linda Choy in Beijing and Doreen Cheung]

[Text] An attempt by Ming Pao to get an explanation for the detention of one of its reporters in China failed yesterday. Executive chief editor Paul Cheung Kin-bor, who flew from Hong Kong to Beijing, was told the State Security Ministry could not provide more information on Xi Yang because he was still under investigation.

All the materials in Xi's hotel room in Beijing, including those of his roommate, were seized immediately after his arrest on Monday. State security officers also took away a fax machine from the room of another Ming Pao reporter in Beijing on Monday evening. The reporter was told the case would take about 10 days to investigate.

Chinese official media said Xi was accused of espionage involving state secrets on banking. His activities violated the State Security Law, they said. Security officials told Mr Cheung during a 50-minute meeting that Xi's arrest was in accordance with law.

Mr Cheung said he rejected claims that Xi had handed over money for state secrets, insisting that the newspaper strictly prohibited its staff paying for news. "Provided information does not threaten national interests and it is related to issues of public concern, it will make a good story," he said. He added that that might not comply with mainland standards.

Mr Cheung said he was disappointed with the meeting which failed to answer some fundamental questions such as which Ming Pao articles were involved. Security officials promised to pass his questions on to their superiors.

Mr Cheung also asked for the return of articles belonging to the paper's managing editor, Henry Zhang Hongren, who was staying in the same room as Xi. According to Mr Cheung, the articles included two pictures of patriarch Deng Xiaoping, a news article from Ming Pao about Mr Deng, a letter to Mr Deng's son, Deng Pufang, from the newspaper to thank him for giving an interview and an outline of the interview.

Requests by Mr Cheung and Xi's family to see Xi have been turned down.

No further details have been given about where he was detained and which government department was responsible for his detention. The British ambassador to Beijing, Sir Robin McLaren, said his office was trying to establish



the facts of Xi's case. Sir Robin refused to be specific about assistance the British Government could give Xi, who does not hold a British National Overseas passport nor a British Dependent Territory Citizen's passport.

In Hong Kong, Governor Chris Patten declined to comment on the case but said he would seek information from the Hong Kong Journalists' Association.

The United Democrats urged China to issue guidelines on the scope of state secrets, which were not defined in mainland laws. Spokesman James To Kun-sun, also a Legislative Councillor, said clear guidelines should be set because of the differences between Chinese and Hong Kong laws. But a vice-director of Xinhua (the New China News Agency) in Hong Kong, Zhang Junsheng, said reporters should be able to judge whether a piece of information was a "state secret" from their own experience.

Mr To said China's degree of freedom of the press fluctuated with the political atmosphere and the same piece of information might be taken as a national secret at one time but not another.

Mr Zhang said all Chinese in Hong Kong regardless of their status would be taken as Chinese citizens. He said the British Foreign Office had not raised the subject with China but it would not be easy for Britain to intervene because the reporter had committed the crime in China.

#### **Jiang Inspects Guangdong, Comments on Reform**

*OW2809145393 Beijing XINHUA Domestic Service in Chinese 1158 GMT 28 Sep 93*

[By reporter Niu Zhengwu (3662 2973 2976)]

[Text] Guangzhou, 28 Sep (XINHUA)— While inspecting Guangdong, Jiang Zemin, CPC Central Committee general secretary, president of the state, and Central Military Commission chairman, stressed: We should study Comrade Deng Xiaoping's Theory of Building Socialism with Chinese Characteristics in an in-depth manner, adhere to the party's basic line, continue to deepen reform and open wider to the outside world, quicken the pace in building a socialist market economy, promote quicker and better development in economic construction, and make overall progress in various socialist undertakings. He hoped that Guangdong would create new experiences and make more contributions in accelerating reform and development.

From 23 to 26 September, General Secretary Jiang Zemin, accompanied by Ding Guangen, Political Bureau CPC Central Committee Secretariat member; Wen Jiabao, alternate Political Bureau member of the CPC Central Committee and CPC Central Committee Secretariat member; Zhang Wannian, General Staff chief and Central Military Commission member; Xie Fei, Political Bureau member of the CPC Central Committee and Guangdong CPC Provincial Committee secretary; Guangdong Governor Zhu Senlin; and Shi Yuxiao, Guangzhou Military Region's political commissar, inspected Zhanjiang, Maoming, and Guangzhou City.

Western Guangdong is an important wing of the province. Jiang Zemin showed great concern for the reforms and development in western Guangdong. While in Zhanjiang City, he inspected Zhanjiang Harbor, Donghai Island, the Zhanjiang Economic and Technology Development Zone, the Sanxing Enterprise Group Corporation, and the Shilian Industrial Group Corporation. While in Maoming City, an oil city in the south, Jiang Zemin inspected the Shuidong Harbor which is under expansion, the site of a 300,000-tonne ethylene project, and the Maoming Petrochemical Corporation. General Secretary Jiang Zemin was very happy to see the scenes of prosperity in Zhanjiang and Maoming and the hard working spirit of the cadres and masses there. He held that the conditions of these two places are good and that there is great potential for development there. He expressed the hope that they would seize the opportunity, open wider to the outside world, make use of their advantages, speed up construction of harbors, roads, communications, and other infrastructural facilities and other key projects such as petrochemical projects, strive to run their economic and technology development zones well, and give priority to developing industries employing new high technologies to make new achievements in invigorating Western Guangdong and to promote the modernization construction of the entire province.

While in Guangzhou, Jiang Zemin inspected key state-owned large and medium-sized enterprises. On 26 September, he braved the rain to inspect the Guangzhou Radio Plant, the Guangzhou Paper Manufacturing Plant, and the Guangzhou Monosodium Glutamate and Food-stuff Plant. He visited one workshop after another, asking the responsible persons in the plant about the details of their operation conditions. He fully affirmed the methods used by the three old plants to deepen internal reforms, carry out technical transformation, strengthen management, and improve product quality and economic efficiency. He said: The experience of these old enterprises show that in a socialist market economy, state-owned large and medium-sized enterprises must strengthen their vitality, completely transform their operating mechanisms, improve work skills, and raise productivity; they must adopt advanced technologies and undertake technical transformation. In the light of reality, they must be good at studying and drawing on the advanced management experiences of advanced countries in order to improve their management.

During his inspection tour, Jiang Zemin inspected the South Sea Fleet in Zhanjiang. In Guangzhou he met with cadres at and above divisional level under the Guangzhou Military Region and veteran comrades of the region, as well as responsible persons of Army, Navy, and Air Force units stationed in Guangzhou, and he called on public security cadres and policemen and officers and men of the Armed Police Force. He called on commanders and soldiers to intensify training and study, unite as one, and work hard to raise their combat strength.

Those accompanying Jiang Zemin on the visit included Zeng Qinghong, Zeng Peiyan, and Teng Wensheng, responsible persons of relevant departments under the Central Committee.

On the evening of 27 September, Jiang Zemin and his entourage attended a national day literary and art soiree organized by the Guangzhou Military Region, Guangdong Provincial Party Committee, and the Guangdong Provincial Government. Li Tieying, a member of the CPC Central Committee Political Bureau who is in Guangzhou, also joined the central leaders in watching the performance.

#### **Qiao Shi Stresses Need for Economic Development Laws**

*OW2909141393 Beijing XINHUA in English 1352 GMT 29 Sep 93*

[Text] Shanghai, September 29 (XINHUA)—Senior party official Qiao Shi stressed the necessity to step up the pace of making laws while focusing the work on economic development so as to promote the establishment of a socialist market economy.

Qiao Shi is a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and chairman of the Standing Committee of the National People's Congress.

During an inspection tour of Shanghai from September 23 to 29, he visualized that China would establish a framework of economic laws for the socialist market economy within a few years' time so as to ensure an orderly development of the economy.

He said that the National People's Congress and the people's congresses of various provinces, autonomous regions and municipalities are all faced with the new tasks of making laws, especially economic laws. He urged the local people's congresses to make local laws and regulations in line with the actual circumstances and within the framework of the constitution, the criminal law and the civil law.

He urged the various localities to take the interests of the whole country into account in their work instead of confining their eyes to the local interests.

While making and perfecting laws and regulations, he added, it is necessary to further display socialist democracy and do everything possible to perfect the people's congress system and the multiparty cooperation and political consultancy system under the leadership of the Communist Party of China.

Qiao inspected some of the city's major construction projects, such as the Yangpu bridge, the subway, flyovers, the Baoshan Iron and Steel Works and the Dongfang Commercial Building. He also visited the new Waigaoqiao port area and Waigaoqiao free trade zone in the Pudong new area and heard a report on the development of the Pudong new area.

He reaffirmed that to open and develop the Pudong New Area is an important decision of the CPC Central Committee and the State Council. He urged Shanghai to complete the initial development of the area in the 1990s to pave the way for an even larger scale development in the 21st century.

Qiao pledged that the central authorities remain firm in its decisions to open up and develop the Pudong new area and the policies will not change.

#### **'Comprehensive Document' Being Prepared**

*OW2909111793 Tokyo KYODO in English 1038 GMT 29 Sep 93*

[Text] Beijing, Sept. 29 KYODO—The Chinese Government is preparing a comprehensive document which will set out the guiding principles for establishing an economic system combining socialism and market economics, according to a high-ranking official.

The document, to be titled "The Comprehensive Framework for a Socialist Market Economic System," will be officially published next year after undergoing approval by the Third Plenum of the Communist Party of China, which will meet before the end of the year, and next year's National People's Congress, the official source told KYODO NEWS SERVICE.

According to the official, the State Commission for Restructuring Economy (SCRE) is presently drafting the document, which will reflect paramount leader Deng Xiaoping's theory for leading China to a market economic system.

The process of converting China's economy into a market-oriented system will be a complicated and difficult task, the SCRE official admitted, saying that such a system will be based on China's 15 years of economic reform.

The official, who declined to be named, said the recent overheating of China's economy was largely due to the implementation of an "American-style of market economics," adding that the document will recommend economic administrative policies stronger than the Japanese or German form of market economics.

#### **Groups To Inspect Local Anticorruption Operations**

*HK2909004093 Hong Kong TA KUNG PAO in Chinese 26 Sep 93 p 1*

["Special dispatch" from Beijing: "The Central Authorities Will Next Month Send Working Groups To Inspect Local Anticorruption Operations"]

[Text] Beijing, 25 Sep (TA KUNG PAO)—A source here has leaked word that the central authorities will send inspection groups to various localities to find out how the anticorruption campaign has been launched. The Justice Ministry, the Supreme People's Court, and the Supreme People's Procuratorate are redoubling their efforts to hear corruption cases and will pronounce sentence on a number of people soon, added the source.

At a "seminar on penalizing corruption and improvement of the legal system" held several days ago, Li Zhilun, member of the Central Discipline Inspection Commission and vice minister of supervision, said that the anticorruption campaign has aroused the enthusiasm of the masses and that the number of complaints addressed to the Central Discipline Inspection Commission and the Supervision Ministry has doubled and redoubled.

He added: Some people are concerned that the anticorruption campaign will prove short-lived or that the campaign will make a magnificent start only to tail off later. Such a concern shows that the people treat us with love and care and that it will turn into a motive force encouraging discipline inspection commissions and judicial organs at all levels to carry out the anticorruption campaign to the end.

The Supervision Ministry, the Shougang Corporation, the Law Institute under the Chinese Academy of Social Sciences, and FAZHI RIBAO jointly held a "seminar on penalizing corruption and improvement of the legal system" several days ago to discuss the features and causes of, laws governing, and measures against corruption, which emerges in the process of the old economic structure being replaced by a new one. Representatives from a number of party and government departments, scientific research institutes, and enterprises as well as from the Shenzhen Special Economic Zone attended the seminar.

Li Zhilun told the audience: The central authorities' decision to accomplish three tasks in four months, which we call the "three- four-one" project, has greatly inspired the masses. The anticorruption campaign has yielded results in the initial phase. The campaign is now proceeding well. All provinces, municipalities, and central and state organs have made their own plans for carrying out the campaign in line with the central guidelines. Many organs have examined and rectified their problems by themselves and have achieved initial results.

Li Zhilun added: In discussing the report to the Second Plenary Session of the Central Discipline Inspection Commission, the central authorities pointed out: It is necessary to take the overall situation into account, study the causes and effects of corruption, and formulate pertinent rules and regulations. If we only hear cases without looking at the overall situation, we will not be able to root out corruption. We must deal with the problem by improving the legal system, because it is the basic way out.

He also said that the four sets of regulations on forbidding unauthorized charges, on keeping separate accounts of income and expenditure, on severing enterprises' ties with administrative offices, and on forbidding overseas trips in disguised form will be published soon.

#### **Flowers in Tiananmen Square To Mark National Day**

*OW2809153293 Beijing XINHUA in English 1258 GMT 28 Sep 93*

[Text] Beijing, September 28 (XINHUA)—More than one million pots of flowers decorate China's capital, with the national day, October 1, just around the corner.

On Tiananmen Square in the center of the city more than 200,000 pots of flowers have been piled up to form various kinds of patterns. In the center of the square is a bank of flowers with a diameter of 62 m. and covering an area of more than 3,000 sq m. Fountains can spray water as high as 25 m.

Flowers also spell out the messages, such as "Study Deng Xiaoping's Theory on Building Socialism With Chinese Characteristics", "Hearty Congratulations on the 44th Anniversary of the People's Republic of China", "Quicken the Construction of a Socialist Market Economy" and others.

Major traffic sections, road crossings and gates of official organizations and enterprises are also decorated with flowers.

Flower exhibitions are also held in some parks to give a festive tinge to the city.

#### **Radio Administration Regulations Transmitted**

*OW2909151293 Beijing XINHUA Domestic Service in Chinese 0133 GMT 22 Sep 93*

[Text] Beijing, 22 Sep (XINHUA)—Regulations Governing Radio Administration in the People's Republic of China

#### **Chapter I General Principles**

**Article 1.** These Regulations have been drawn up to strengthen radio administration, maintain order for airborne electric waves, put the resources of the radio spectrum to effective use, and ensure the normal operation of various radio businesses.

**Article 2.** The establishment and operation of radio networks (stations); the development, production, and import of radio transmitting facilities; and the use of nonradio equipment radiating radio waves in PRC territory must be carried out in compliance with these regulations.

**Article 3.** The principle of unified leadership, unified planning, the division of administrative functions, and the division of responsibility at different levels, as well as the policy of exercising scientific administration and promoting development, shall be implemented in radio administration.

**Article 4.** Radio frequency spectrum resources belong to the state, which implements the principle of unified planning, rational development, scientific management, and compensatory use of resources.

**Article 5.** The state encourages the development and utilization of as well as scientific research on radio frequency spectrum resources and actively popularizes advanced technology and improves standards of administration.

Units or individuals who make great contributions to radio administration or related scientific research should be rewarded.

**Chapter II Administrative Organizations and Their Duties**

**Article 6.** Under the leadership of the State Council and the Central Military Commission, the state radio administrative body is responsible for radio administration nationwide and has the following main duties:

1. To draft general and specific policies and administrative rules and regulations for radio administration;
2. To formulate rules for radio administration;
3. To be responsible for the unified administration of radio networks (stations) and radio frequencies;
4. To coordinate and handle matters related to radio administration;
5. To lay down an industry code for radio administration;
6. To organize scientific research in the field of radio administration;
7. To be responsible for radio monitoring nationwide; and
8. To be responsible for the centralized handling of matters related to foreign radio administration.

**Article 7.** The radio administrative body of the Chinese People's Liberation Army [PLA] is responsible for radio administration in the military and has the following main duties:

1. To take part in drafting and to implement general and specific policies, laws, regulations, and rules for state radio administration and to draw up procedures for radio administration in the military;
2. To examine and approve the establishment of radio networks (stations) in the military, as well as approve and issue radio network licenses;
3. To be responsible for the planning, distribution, and administration of radio frequencies in the military;
4. To approve the development, production, and sale of military radio equipment, as well as the technical norms of radio administration with regard to the purchase and import of radio equipment by the military;
5. To organize scientific research in the field of military radio administration and formulate technical standards for military radio administration;
6. To carry out radio supervision and checks in the military; and
7. To take part in organizing, coordinating, and handling matters related to radio administration involving the military and local authorities.

**Article 8.** Under the leadership of the radio administrative body at the next highest level and the people's government at the same level, radio administrative bodies at the provincial, autonomous regional, and municipal levels and those of cities with districts are responsible for radio administrative affairs, except for those related to the

military, within their jurisdictions, and their principal responsibilities are as follows:

1. To implement the state principles, policies, laws, and regulations governing radio administration;
2. To draw up concrete provisions on local radio administration;
3. To coordinate and handle matters related to radio administration within their administrative division;
4. To examine construction plans and sites of radio networks (stations), to assign frequencies and call signs to radio networks (stations), and to approve and issue radio network licenses within their prescribed examining and approving authority;
5. To be responsible for radio monitoring within their administrative division.

**Article 9.** Radio administrative bodies under the State Council's relevant departments shall be responsible for radio administrative work in their own department, and their principal responsibilities are as follows:

1. To implement the state's principles, policies, laws, and regulations governing radio administration;
2. To draw up concrete provisions on radio administration in their own department;
3. To examine and approve construction plans and sites of radio networks (stations) in their own department, assign frequencies and call signs of radio networks (stations) in their own department, and to approve and issue radio network licenses in their own department in accordance with departmental authority prescribed by the State Council and commissioned by the state radio administrative body;
4. To perform other responsibilities entrusted by the state radio administrative body.

**Article 10.** The state radio monitoring center and radio monitoring stations at various levels, the State Radio Frequency Spectrum Administrative Center, and the State Radio Frequency Spectrum Management and Research Institute are responsible for electric wave monitoring, technical examinations, the development of new technology, and scientific research.

**Chapter III The Establishment and Operation of Radio Networks (Stations)**

**Article 11.** Units and individuals who want to set up and operate radio networks (stations) must apply in writing, complete all application procedures, and obtain a radio network license.

**Article 12.** Application for establishing and operating radio networks (stations) must meet the following criteria

1. Radio equipment meet state technological standards;



2. Operating personnel are well versed in the relevant regulations governing radio administration and hold corresponding professional skills and operational competence;

3. The designs of essential wireless networks are in line with economic and rational principles and are located in a safe and reliable working environment; and

4. Units and individuals wanting to establish radio networks (stations) hold appropriate managerial expertise.

**Article 13.** Establishment and operation of the following radio networks (stations) should apply to the appropriate radio administrative body for approval in accordance with the provisions of these regulations:

1. Radio networks (stations) with communication or service areas covering two or more provinces, or territories outside China; radio networks (stations) set up and operated by central state organs (including Beijing-based directly affiliated units); and radio networks (stations) established and operated to meet special needs should be examined and approved by the state radio administrative body.

2. The establishment and operation of transregional radio communication or service networks (stations) in provinces and autonomous regions, as well as radio networks (stations) established and operated by provincial and autonomous regional organizations (including those directly under the local provincial and autonomous regional people's governments) should be approved by the provincial or autonomous regional radio administrative body.

The establishment and operation of radio communication or service networks (stations) in municipalities should be approved by the municipal radio administrative body.

3. The establishment and operation of radio communication or service networks (stations) in cities with districts should be approved by the city radio administrative body.

Applications to establish permanent radio networks (stations) in accordance with the provisions in the preceding paragraph should obtain prior approval from the relevant administrative authorities at the next highest level.

The establishment and operation of special radio networks (stations) should be approved by the relevant State Council departments entrusted by the state radio administrative body.

**Article 14.** Operators of standard radio networks (stations) on ships, locomotives, and aircraft should apply for network licenses according to the relevant regulations and should register with the state or local radio administrative body.

**Article 15.** In establishing amateur radio networks (stations), it is necessary to complete application procedures according to the regulations governing amateur radio networks (stations).

**Article 16.** The establishment, distribution, and site selection of permanent radio networks (stations) within urban

planning zones should comply with urban plans and be subject to supervision by the plans. Urban planning administrative authorities should work out unified plans to ensure the necessary operational conditions for radio networks (stations).

**Article 17.** Call signs of radio stations are to be drawn up and distributed by the state radio administrative body, and they should be assigned by the state or local radio administrative body or the relevant State Council department commissioned by the state radio administrative body.

Radio station call signs assigned by the relevant State Council department should be copied and sent to the local provincial, autonomous regional or municipal radio administrative body for the record.

Radio station call signs assigned by a radio administrative body should be copied and sent to the State Council department in charge of communications.

**Article 18.** Radio station licenses are printed uniformly by the state, and they are issued by the state and local radio administrative bodies and the relevant State Council departments commissioned by the state radio administrative body.

**Article 19.** In the case of an emergency situation threatening the safety of people's lives and property, radio equipment, which is established and operated without approval, can temporarily be put to use. However, the use of such radio equipment should be promptly reported to the radio administrative body.

**Article 20.** Once approved for operation, radio networks (stations) must carry out their work according to approved programs and must not transmit or receive signals unrelated to their work. In case a change of programs is warranted, it is necessary to apply for permission from the authorities which originally granted the approval.

When radio networks (stations) suspend operations or are closed, it is necessary to complete the relevant procedures with the authorities which originally granted the approval.

**Article 21.** Units and individuals operating radio networks (stations) must strictly observe relevant state security regulations.

#### Chapter IV Frequency Management

**Article 22.** The state radio administration organ has exclusive authority to divide and allot radio frequencies.

The state radio administration organ and local radio administration organs designate radio frequencies based on the authority of reviewing and approving the installation of radio networks (stations).

The concerned departments of the State Council are to designate band widths and frequencies allotted to them and are to send their designations to the state radio administration organ or a competent local radio administration organ for the record.

**Article 23.** The state's regulations on frequency administration must be observed in designating and using radio frequencies.

Designated frequencies may be readjusted or withdrawn by the designating units after consultations with units using the frequencies.

After the term of frequency use has expired, the necessary paperwork must be completed before use of the frequency can be continued.

Without the approval of the state radio administration organ or a local radio administration organ, no units and individuals are allowed to transfer their frequencies to others. Leasing frequencies or leasing frequencies in disguised form are prohibited.

**Article 24.** In case radio controls are required due to national security reason or because of the need to carry out important missions, units and individuals who have radio transmission equipment and other radio wave radiating equipment within a control zone must observe the control regulations.

**Article 25.** Radio administration organs should protect frequencies used by radio networks (stations) established according to law from harmful interference.

In handling harmful interference between radio frequencies, the following principles should be followed: Frequencies within a band width should prevail over frequencies outside the band width, business of secondary importance should give way to business of primary importance, those who use frequencies first should have priority over those who join later, and the unplanned use of the frequencies should yield to the planned use of frequencies. Special cases should be coordinated and handled by the state radio administration organ in accordance with the actual situation.

#### **Chapter V The Development, Production, Marketing, and Import of Radio Transmission Equipment**

**Article 26.** Working frequencies and band widths needed for the development of radio transmission equipment should meet the state's regulations on radio administration; they should be submitted to the state radio administration organ for approval.

**Article 27.** Working frequencies, band widths, and relevant technical standards of developed radio transmission equipment should meet the state's regulations on radio administration; they should be submitted to the state radio administration organ or a local radio administration organ for the record.

**Article 28.** In developing and manufacturing radio transmission equipment, effective measures must be taken to curb radio transmissions. Approval must be obtained from the state radio administration organ or a local radio administration organ for conducting transmission tests.

**Article 29.** Working frequencies, band widths, and relevant technical standards of imported radio transmission equipment should meet the state's regulations on radio administration; they should be submitted for approval by the state radio administration organ or a provincial, autonomous regional, or municipal radio administration organ.

**Article 30.** Radio transmission equipment manufactured and marketed by enterprises must meet the state's technical standards and stipulations in the relevant laws and regulations governing the quality control of products of this category. Departments of people's governments at and above the county level responsible for the supervision and management of product quality should conduct supervision and inspections of the said equipment as required by law.

#### **Chapter VI Radio Wave Radiation of Non-Radio Equipment**

**Article 31.** Radio wave radiation from industrial and scientific facilities, medical equipment, electrified transportation system, high tension power lines, and other electrical installations must meet the state stipulations and must not create harmful interference to the radio industry.

**Article 32.** The urban planning administrative department and radio administrative body should consult and determine the sites selected for engineering installations which discharge radio wave radiation and which may cause harmful interference to radio networks (stations).

**Article 33.** When non-radio equipment discharges harmful interference to radio networks (stations), owners or users of the equipment should adopt measures to eliminate such interferences and should stop the use of this equipment when they endanger the safe operations of aircraft and ships.

#### **Chapter VII Foreign-Related Radio Administration**

**Article 34.** The state radio administrative body should conduct unified negotiations with relevant international organizations and foreign countries and regions on matters related to the division, distribution, and coordination of radio frequencies, as well as mutual interference between Chinese and foreign radio networks.

**Article 35.** Foreign embassies and consulates, and representatives of the United Nations and its special organizations and other international organizations, which enjoy diplomatic privileges in China, should apply through diplomatic channels to the state radio administrative body for approval prior to installing and using radio networks (stations) and to carry and transport radio equipment into the country.

Other foreign users—such as representative organizations, visiting groups, and businessmen in China—should apply to the state or local radio administrative body for prior approval to install and use radio networks (stations), or to carry and transport radio equipment into the country in accordance with the stipulations in Article 13 of these Regulations.

**Article 36.** The operation of radio networks from foreign ships (including maritime platforms), aircraft, and transportation vehicles in Chinese territory should observe international treaties signed or participated in by the PRC as well as its laws and regulations.

**Article 37.** Requests by the International Telecommunications Union for information on radio networks (stations) should be submitted by the relevant departments to the state radio administrative body for uniform handling.

**Article 38.** Foreign organizations or personnel should not use electronic monitoring equipment to conduct radio wave parameter tests in Chinese territory without the approval of the state radio administrative body.

#### **Chapter VIII The Monitoring, Supervision, and Inspection of Radio**

**Article 39.** The state radio monitoring center; the state radio monitoring station; provincial, autonomous regional, and municipal radio monitoring stations, as well as radio monitoring stations of cities with districts are responsible for monitoring radio signals.

**Article 40.** The main duties of radio monitoring stations at all levels are as following:

1. To monitor whether radio networks (stations) operate in accordance with prescribed procedures and approved projects;
2. To check and locate sources of radio interference and unauthorized use of radio networks (stations);
3. To measure and determine major technical indices of radio equipment;
4. To inspect and monitor radio wave radiation of non-radio industrial, scientific, and medical equipment;
5. To perform other duties stipulated by the state and local radio administrative bodies.

**Article 41.** Monitoring networks (stations) of the State Council's relevant departments are responsible for the radio monitoring, supervision, and inspection of their own department.

**Article 42.** The state and local radio administrative bodies should assign radio administrative inspection personnel to exercise supervision and inspection of various aspects of radio administrative work.

The State Council's relevant departments may assign radio administrative inspection personnel to exercise supervision and inspection of radio administrative work in their own department.

Units and individuals concerned should actively cooperate with radio administrative inspection personnel when they conduct supervision and inspection within the prescribed limits of authority.

#### **Chapter IX Penalty Rules**

**Article 43.** Units and individuals who have committed one of the following acts shall be penalized by the state radio administrative body with warnings, closure, or confiscation of equipment, or the seizure of illegal income, depending on the specific circumstances; in serious cases, the penalty will be combined with a fine of not less than 1,000 yuan or more than 5,000 yuan or the revocation of the network license:

1. Setting up and operating radio networks (stations) without approval;
2. Developing, producing, and importing radio transmitting equipment in violation of the provisions of these regulations;
3. Interfering with radio operations;
4. Changing approved programs at random, and transmitting and receiving signals not related to work;
5. Failing to observe regulations related to frequencies, and leasing and transferring frequencies without approval.

**Article 44.** Violations of these regulations, which cause serious damage to the state, collectives, or individuals, are, by law, liable for compensation. The state and local radio administrative bodies should investigate or recommend to the relevant authorities for investigation, the administrative responsibilities of personnel and unit leaders directly involved.

**Article 45.** When a person refuses to comply with a penalty meted out by the state or local radio administrative body, he or she may apply for reconsideration or file an administrative lawsuit according to the law.

**Article 46.** Abuse of power and derelictions of duty by radio administrative personnel shall be given administrative disciplinary action by the work unit or higher authorities. When a crime is committed, the criminal responsibility shall be affixed according to the law.

#### **Chapter X Appendix**

**Article 47.** Radio administrative measures of the Chinese PLA (including the militia) shall be formulated separately.

Radio administrative measures of the civil air defense department shall be formulated separately.

**Article 48.** Special radio administrative regulations for public security organs, Chinese People's Armed Police units, and state security organs shall be worked out separately by the Ministry of Public Security and the Ministry of State Security in conjunction with the state radio administrative body on the basis of these regulations.

**Article 49.** These regulations become effective upon promulgation.

## Economic & Agricultural

### Foreign Trade Regulations To Be Published

HK2909150093 Beijing XINHUA Domestic Service in Mandarin 0307 GMT 26 Sep 93

[By reporter Jiang Jun (1203 6511): "China To Promulgate Foreign Trade, Economic Exchange Policies and Regulations in the Form of a 'Gazette'"]

[Text] Beijing, 26 Sep (XINHUA)—Beginning in October, China will openly publish its foreign trade and economic exchange laws and regulations in a new journal in order to increase the transparency of our country's system for foreign trade and foreign economic exchanges.

Miao Fuchun, spokesman for the Ministry of Foreign Trade and Economic Cooperation [MOFTEC], recently told the press that his ministry will officially publish and distribute ZHONGHUA RENMIN GONGHEGUO DUIWAI MAOYI JINGJI HEZUO BU WENGAO [GAZETTE OF THE PRC MOFTEC] beginning in October. This will be the sole authoritative publication approved by the state to make public the foreign trade and economic exchange laws and regulations in good time.

Miao Fuchun said: The publishing of the MOFTEC Gazette is an important step to meet the GATT requirements and to bring China's foreign trade into line with international practice. One of the basic GATT principles is to ensure the implementation of unified and transparent laws, rules, and regulations for foreign trade and foreign economic exchanges. This requires that all laws and regulations concerning foreign trade and foreign economic affairs be made public so that other GATT signatory parties can know them well. This will thus benefit the development of international trade.

It is said that the gazette, which will be published irregularly, will mainly carry the laws concerning foreign economic exchanges and foreign trade, and other relevant laws adopted by the National People's Congress or its Standing Committee; the regulations concerning foreign economic exchanges and foreign trade and other relevant regulations approved and promulgated by the State Council; and the major rules and regulations, legal documents, and other important notices formulated and announced by the MOFTEC.

Miao Fuchun emphasized: According to the State Council's instruction, all national rules and regulations concerning foreign economic exchanges and foreign trade should be deliberated on and promulgated by the MOFTEC; without the authorization of the State Council, various departments and local authorities cannot formulate and promulgate national rules and regulations for foreign economic exchanges and foreign trade (including the compilation of lists of commodities to be banned or restricted from export or import). Various localities and departments should formulate relevant rules and regulations within the scope of their jurisdiction, and their rules

and regulations concerning foreign trade and foreign economic exchanges must be in line with the state's foreign economic laws and regulations, and must not contradict the latter.

He pointed out: The gazette will provide major legal grounds for our country's foreign trade and foreign economic activities. The MOFTEC will publish and promulgate relevant laws, rules, regulations, and other legal documents in the form of the gazette, and this will be done in good time and in a unified way. The documents will not be published or issued through other channels. When other newspapers and magazines reprint the foreign trade and foreign economic laws, rules, regulations, and other relevant documents or when other departments relay such documents, if there are variances with what is published in the gazette, the versions in the gazette will be taken as the standard.

### Western Economists Say Leaders on 'Bus of Reform'

HK2909120293 Hong Kong AFP in English 1109 GMT 29 Sep 93

[Text] Beijing, Sept 29 (AFP)—China's government is becoming increasingly candid and willing to look its problems in the eye as it pushes ahead with economic reforms, a group of Western economists and businessmen said here Wednesday.

Senior officials—including Vice President Rong Yiren—attending the three-day Economist Conferences Roundtable With the People's Republic of China were, without exception, on the "bus of reform," the economist group's president for Asia, Derek Smith, told journalists.

Conference organisers rejected suggestions it might be a bandwagon rather than a bus, but could offer few examples of their interlocutors outlining detailed plans to bring order to the overheated economy.

The Chinese officials instead made clear they were aware of the difficulties while assuring the 120 foreign businessmen attending the roundtable that reform would continue. Smith said, echoing the prevailing official line expounded daily in Chinese newspapers.

Jeffrey Schultz, vice president of public relations firm Burson-Marsteller which helped organise the roundtable, said one of the few areas in which the Chinese had offered extensive details was on new tax regulations to be promulgated soon to simplify the complicated and ununiform system.

He said officials had also acknowledged the need to end the government's monopoly on providing services for foreign firms in Beijing, but was unable to give a timetable for the abolition of one of the "biggest headaches" of doing business in the Chinese capital.

Chinese officials showed particular interest in attracting foreign investment to infrastructure projects such as energy and railways, he said, adding they recognised the need to increase artificially low fares to provide investors with a return on their money.



Smith said foreign investors were "ready and anxious" to take advantage of such opportunities, predicting the loss of China's Olympic bid would have little impact on the country's appeal.

Hosting the Olympics "may or may not create a blip on the horizon, but it doesn't affect the fundamentals," he said, adding conference participants had come because they were attracted by China's great potential.

**'News Analysis' Urges Better Foreign Investment Policies**

OW2809170393 Beijing XINHUA in English 1434  
GMT 28 Sep 93

[Unattributed "News Analysis" article: "Better Foreign Investment Policies Imperative"—XINHUA headline]

[Text] Beijing, September 28 (XINHUA)—The present boom of foreign investment in China has prompted the country to consider and eventually work out ways to use foreign investment more efficiently.

Experts here say that the current situation makes imperative an early readjustment and improvement of its policies concerning the use of foreign investment.

From 1976 to the end of last June the number of enterprises with foreign investment had surpassed 134,000, with the contract value totalling 169.2 billion U.S. dollars and actual investment value over 43.7 billion U.S. dollars.

However, Chinese leaders are fully aware that the adoption and use of foreign investment have developed in an imbalanced way in different sectors and localities.

Therefore, a complete set of clearer policies is necessary, featuring more preferential treatment to better suit the demands of China's national economic development, according to the experts.

Reliable sources say that China will work out new preferential measures in order to lure more transnational corporations to start large-scale and technology-intensive projects, encourage more investment in China's inland provinces and reform the country's old enterprises.

To date, hundreds of transnational firms have started various businesses in China. Yet, many of such projects have only been implemented on a trial basis. In addition, investment from transnational corporations covers only about one percent of their total overseas investment.

Officials said that major policies China is considering to lure big foreign firms include:

- Firms that bring in advanced technology should enjoy special favorable tax policies and be permitted to sell part, or even all, of their products in China;
- The setting up of investment firms and joint-stock companies in China should be encouraged;
- More scope for foreign investment should be opened, in fields such as financing, insurance, aviation, consultancy, accounting and quality control; and

—More assistance should be given to foreign-invested enterprises facing foreign exchange balance problems.

As a multi-level and all-directional pattern of opening to the outside world has now taken shape, the Chinese Government hopes that foreign businessmen, when investing in the coastal regions, will seek more co-operation partners in the inland provinces.

Such provinces are endowed with rich natural and labor resources. For instance, as a major industrial and agricultural center, the Yangtze River Valley has at its service a number of state-run key enterprises, some of which will undergo either expansion or renovation.

Meanwhile, according to the state economic development plan, quite a few projects are to be started in the valley. Therefore, the experts here hold that inland areas will provide a huge market for foreign investment.

Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi said here early this month that China is making efforts to see that its existing policies regarding foreign investment are more in line with the relevant regulations of the General Agreement on Tariffs and Trade and international practices, such as taxation policy, mechanism for equal competition, the service trades and simplification of the approval procedures for joint ventures.

Observers here believe the new policies on foreign investment, which are expected to be approved within this year, will signal the opening of a new era in China's adoption and use of foreign investment.

**State Spends \$5.2 Billion on 'Key Projects'**

OW2909113193 Beijing XINHUA in English 1053  
GMT 29 Sep 93

[Text] Beijing, September 29 (XINHUA)—China pumped a total of 30.9 billion yuan (about 5.2 billion U.S. dollars) into building 150 key projects in the first seven months this year, in an effort to facelift underdeveloped infrastructures and basic industries.

Investment in the period accounted for 42.5 percent of the total funds earmarked by central authorities for 1993, according to the State Planning Commission.

China plans to invest 72.9 billion yuan in the 150 key projects this year, 22.7 billion yuan more than spending last year. The input is expected to make up 23.4 percent of the country's total investment in basic construction.

Officials from the State Planning Commission said that so far construction of the 150 major projects has proceeded smoothly, thanks to guarantees on funds.

The Chinese Government has given top priority to the building of the 150 key projects, most of which are in such major sectors as energy, transport, telecommunications and raw materials, and has ordered that those projects come first in the queue for funds.

Out of the 150 key projects, 124 are in energy, transport, telecommunications and raw materials—sectors that the Chinese Government has dubbed as the lifeline for the national economy.

Along with the implementation of the key projects, China's infrastructures and basic industries have been further improved.

According to the State Planning Commission, a production capacity of 2.2 million tons was added to China's crude oil sector in the first seven months of this year, while capacity for natural gas production was increased by 300 million cubic meters.

During the January-July period of 1993, 10 huge power-generating sets with a total capacity of 2.85 million kwh were installed, while the handling capacity of Chinese ports was boosted by two million tons.

Railway construction went full steam ahead this year after the government listed the sector as the no. 1 priority in key projects.

China pumped 9.2 billion yuan into 17 railway projects in the first seven months of this year, an all-time high.

#### Statistical Bureau Views Macroeconomic Control

OW2909103493 Beijing BEIJING REVIEW in English  
No 39, 27 Sep-3 Oct 93 p 4

[Unattributed report: "Macro-Economic Control Paying Off]

[Text] China's macro-economic regulatory package, released in early July, has cooled down excessive fixed asset investment, according to a recent official report.

The report, which was released by the State Statistical Bureau (SSB) on September 16, said the country has also cut institutional spending, while at the same time boosting bank savings. Meanwhile, state revenues increased by a big margin.

Fixed-asset investments by state units in August totalled 57.44 billion yuan, down 10.4 percent from July. "Shrinking investments reflected a decrease in new capital construction projects in August," the SSB said in its monthly report.

SSB figures show there were 4,716 new projects initiated in August, 1,428 fewer than the same month last year.

SSB economists said the trend has led to a cut in institutional spending.

They pointed out that the country's gross retail sales in August hit 107.1 billion yuan, up 23.8 percent over the same month last year. However, sales fell by 2.7 percent from July.

The monthly fall in fixed asset investment and retail sales was attributed partly to an increase in bank deposits and lending rates, two factors which led to a marked increase in savings over the past two months.

Individual bank savings in August increased by 36.2 billion yuan, up 25.5 billion yuan over last August.

By the end of the month, the country's banks had saving deposits of over 1355.6 billion yuan, up 201.1 billion yuan compared with January this year.

Meanwhile, bank loans to enterprises during the month increased by 146.2 billion yuan over the January figure.

However, they fell by 39.6 billion yuan compared with the same period last year.

During the first eight months of this year, China's revenues increased by 8.6 percent to reach 254.849 billion yuan, fulfilling 59.9 percent of the budgeted amount.

Meanwhile, the growth rate for expenditures was slashed from 15.9 percent in May to 8.7 at the end of August.

SSB economists said efforts should be made to further rationalize the country's investment structure.

Healthier development of industrial production should be accompanied by keeping inflation at bay.

They said during the first eight months of this year, investments in energy and raw materials sectors dropped by 9.2 percent from the same period last year.

Moreover, the persistently high demand for consumer goods caused the inflation rate in 35 large and medium sized cities to linger at 18.7 percent during the first eight months.

In August, the cost of living price index in these cities was 22.2 percent higher than the same month last year.

The August growth rate of heavy industry was up 23.6 percent over last August, but down 2.2 percent from the July figure.

More than 93.6 percent of steel, iron, coal, chemical fertilizer and other heavy industrial products were sold, down 2.2 percent from a month ago. In addition, some 95.5 percent of consumer goods, such as televisions, radios and other light industrial products, were sold during August, down 1.1 percent from July.

The SSB said that light industrial production last month rose 23.2 percent over last year's same period.

According to the SSB, the slight decline in industrial production has also affected the country's foreign trade.

#### Industrial Output 'Developing Rapidly' Since 1978

OW2809170193 Beijing XINHUA in English 1420  
GMT 28 Sep 93

[Text] Beijing, September 28 (XINHUA)—China's industrial production has been developing rapidly since 1978, when the country initiated the twin policies of economic reform and opening to the outside world.

In 1992, the country's industrial output was valued at 2,848.09 billion yuan, or 6.2 times that of 1978 allowing

for inflation. The average yearly rate of increase during the period was 13.9 percent. Between 1949 and 1977, the rate was 11.4 percent.

The value of industrial fixed assets in 1992 reached 1996.31 billion yuan, 4.9 times the figure before 1978.

Over the past 15 years, state-owned industrial enterprises have been consolidated, improved and developed, while collectively-owned, privately-owned and foreign-funded firms have grown rapidly.

By the end of 1992, there were 8.612 million industrial enterprises and production units. Compared with 1978, the output value of the country's public sector increased by 180 percent.

Meanwhile, the output value of collectively-owned industrial firms rose by 940 percent, accounting for 38 percent of the national total.

The output value of foreign-funded industrial enterprises reached 206.56 billion yuan in 1992, or 5.6 percent of the country's total.

The output value of individual and privately-owned enterprises, both rural and urban, in 1992 accounted for 5.9 and 0.9 percent, respectively, of the national total.

From 1979 to 1992, China obtained 64.28 billion U.S. dollars in contracted foreign funds for industrial use, which accounted for 59.1 percent of the total contracted foreign funds invested in China during the period. In 1992 alone, the country received 32.67 billion U.S. dollars in contracted foreign funds for the development of its industry.

The proportion of the country's exported finished goods in total exports rose to 79.9 percent in 1992, from less than 50 percent in 1978.

The technological level of the country's industry has also been raised due to the transformation of old enterprises and the import of advanced technology. During the Seventh Five-Year Plan (1986-90) period alone, more than 500 projects involving technical transformation were undertaken with the investment surpassing 50 million yuan each. During the period, the country also imported over 8,000 types of products and equipment featuring advanced technology.

The country has established many new and high-tech industries, such as micro-electronics, the air and space industries, bio-engineering and nuclear power plants.

China now ranks first in the world in terms of the output of such industrial products as coal, cloth, cement and television. It ranks third in the output of sulphuric acid and chemical fertilizers, fourth in the output of steel and energy, and fifth in the output of crude oil.

#### Increased Consumption Levels During 'Reform' Noted

OW2909163393 Beijing XINHUA in English 1517 GMT 29 Sep 93

[Text] Beijing, September 29 (XINHUA)—On the average, the urban Chinese people's actual consumption

level rose by 5.4 percent annually during the 14 years of reform from 1978 to 1992, according to the latest government statistics.

The figure is much higher than the average during the 26 years before the reform started in 1978, which was a mere 2.2 percent.

Allowing for inflation in the price of daily necessities, urban residents' actual income in 1992 was 2.3 times that in 1978. In 1992 every urban resident spent 1,618 yuan on daily necessities, which was 5.2 times the figure for 1978. Allowing for inflation, the actual consumption level rose 1.1 times.

In 1992 every urban resident spent an average of 885 yuan on food, which is 4.9 times the figure for 1978. Per capita consumption of meat, including pork, beef and mutton, reached 23.9 kg, showing an increase of 60.4 percent compared with that in 1978. Meanwhile, per capita consumption of domestic fowls, eggs, and aquatic products amounted to 5.1 kg, 9.5 kg and 8.2 kg, respectively. These figures are increases of 430 percent, 160 percent and 17.1 percent, respectively.

As the income of the urban people increases, they are paying more and more attention to the quality of clothing. In 1992 every urban resident spent an average of 241 yuan on clothing, which was 5.7 times the figure for 1978.

Urban residents now also have more durable goods. By the end of June 1993 every 100 urban households had 77.8 color TV sets, 85.4 washing machines and 55.3 refrigerators. Besides, more and more urban residents are buying video-recorders, audio sets, air-conditioners, pianos, motorcycles and other high-ticket durable goods.

Housing conditions of urban residents have also greatly improved. Per-capita floor space has grown to 10.4 sq m [square meters] from 4.2 sq m in 1978 and the proportion of urban households with housing problems to the total number of urban households has dropped from 38.6 percent to 5.7 percent.

#### Economists Fear Consumer Demand Will Cause Inflation

HK2909033893 Hong Kong SOUTH CHINA MORNING POST in English 29 Sep 93 pp 1, 10

[By Geoffrey Crothall in Beijing]

[Text] Consumer demand will continue to surge in the next few months making it extremely difficult for Beijing to bring inflation under control, a group of Chinese government economists have warned. The group of experts from the State Planning Commission (SPC) has predicted that nationwide retail sales will increase by about 22 percent this year with demand still outstripping supply by a dangerous margin.

Retail sales in the first half of the year totalled 639 billion yuan (HK\$856 billion), an increase of 21.6 percent over the same period last year and the experts see little evidence that the growth rate will decline in the second half of this year. The total for retail sales this year is expected to top

1,350 billion yuan. But if the inflation factor is taken into consideration, real growth in retail sales will be about 10 percent.

An SPC official said the reason for the continued growth in consumption in the second half was partly seasonal as workers receive their bonuses at the end of the year and prepare for festivals.

A survey by the Ministry of Domestic Trade showed that about 10 percent of all major consumer items were in short supply in the first half of this year and the SPC experts warned that conditions could actually worsen next year. In particular, they said production of agricultural products such as grain, cotton, oil, pork, and eggs would probably not be able to keep up with growing consumer demand.

The rapidly growing demand for agricultural goods from China's increasingly affluent urban consumers has placed a considerable strain on the farming community and, despite government efforts to boost agricultural production, the gap between supply and demand continues to widen. "The contradiction between (agricultural) supply and demand could gradually intensify next year," the SPC economists said.

With the liberalisation of the agricultural price structure this year, higher demand will inevitably lead to higher prices for urban consumers, they said. The SPC report also warned that high-quality manufactured goods and textiles, along with imported household electronics would continue to be in short supply leading to even higher prices in the shops.

Urban inflation is presently running at more than 20 percent and, if the SPC experts' predictions prove correct, there is unlikely to be any let up throughout the remainder of the year.

The report pointed out that capital investment money supply, bank loans, urban incomes, and raw material prices were all increasing at an alarming rate and that it would be difficult to regain control of the situation in the short term. "All these factors cannot be beneficial to the stability of the market," the report said.

The experts recognise for the first time what several Western economists have been telling the Chinese Government for the past six months—that Beijing will not be able to rein in economic growth unless it tackles the demand side of the equation instead of simply concentrating on curbing excessive production.

"I'm glad to see they are finally waking up to the problem of excessive domestic demand. However, I still have not seen much evidence they are actually doing anything about it," a Western financial analyst based in Beijing said.

Beijing has issued regulations restricting urban wage rises to only those state-run enterprises which make an operating profit but it remains to be seen if loss-making enterprises will heed the directive and refrain from giving out bonuses and wage increases to their employees to cover

the cost of inflation. It is feared many loss-making enterprises will continue to pay bonuses, in spite of the directive, to prevent unrest and instability in the workplace.

China's central bank expects fast growth in money supply during the rest of this year, the official Financial News reported. Demand for cash from key state construction projects as the year ends and the need to purchase bumper autumn harvests will push up the growth rate, the newspaper quoted Vice Governor of the People's Bank of China Zhu Xiaohu as saying.

The rapid increase in money supply is likely to drive up inflation, which hit 22.2 percent in large cities on an annual basis in August.

### Official Discusses Securities Malpractices

HK2909084093 Beijing CHINA DAILY in English  
29 Sep 93 p 2

[Report by staff reporter Ren Kan: "Crackdown Call To Ease Path of Stock Issue"]

[Text] A senior securities official yesterday called for a crackdown on malpractice to ensure the smooth issue of this year's new stocks.

It was particularly important to avoid potential social disturbances, Liu Hongru, Chairman of the China Securities Regulatory Commission, told a conference in Beijing.

"The riots in Shenzhen cannot be allowed to reoccur this year" he said.

In August last year, more than one million people stood for days in Shenzhen's summer heat to buy applications for shares in newly-listed companies.

They rioted as news spread that some officials were involved in serious fraud.

They had kept the application forms for themselves instead of selling them all to would-be investors.

"We've made up our mind that we'd rather spend more time and money to guarantee no disturbances occur," Liu said.

More than 100 officials from securities companies across China attended the 3-day securities conference which ended yesterday.

On top of their agenda were ways to solve problems involved in underwriting the share issue.

China plans to issue 5 billion yuan (\$877 million) of new shares to the public this year and one or two firms from every province will be listed on the securities exchanges in Shanghai and Shenzhen.

Cities including Qingdao, Shanghai, Hefei, Wuhan, and Shenzhen have already started the share issue.

Changes in the process have ensured it has gone smoothly, without disturbances.



These cities have issued an unlimited number of application forms before deciding who can buy the new shares in a lottery.

Previously, there was only a limited number of forms which caused frantic demand and long queues.

"The issues have been good so far," Liu said. "But we still have to keep holding our breath and make full preparations for the stock issue in the coming months."

He said China would explore further ways to issue the shares to save cash and avoid trouble.

And he said the quality of the listed firms was essential to the healthy development of the securities industry.

"If poor-quality companies are listed in the markets, investors will be hurt," he said.

He said the selection of listed companies will be in line with the country's industrial policy.

This means enterprises in the energy, telecommunications, and raw materials industries will get priority. The share issues will help these companies raise cash to development.

Liu stressed that securities activities should be conducted according to the country's regulations.

And he called on securities companies to strengthen their own management systems to prevent malpractice.

They are prohibited from insider trading or jointly manipulating the stock market, he said, on pain of heavy punishment.

People who work in the securities industry are also required to keep away from the stock trading, he added.

#### **State Commends Ethnic Minority Entrepreneurs**

OW2909100393 Beijing XINHUA in English 0926  
GMT 29 Sep 93

[By Li Zhurun]

[Text] Beijing, September 29 (XINHUA)—The State Nationalities Commission granted 153 entrepreneurs of minority nationalities the title of honor "Outstanding Factory Director (or Business Manager)" here today.

This was part of the state effort to encourage participation of China's minority nationalities in the national drive to build a socialist market economy, said commission officials.

China has 55 minority nationalities, as well as its Han majority. They can be found in most parts of the country although they account for only seven percent of the national population of over 1.1 billion.

The 153 honored people are from 21 minority nationalities including Mongolian, Tibetan, Korean, Hui, Uygur and Sala, each heading one metallurgical, coal mining, electric power, petroleum, light, textile, commerce, transport, pharmaceuticals, trade or commerce enterprise.

Of these enterprises, 32 have an annual output value exceeding 100 million yuan each, and eight contribute to the state treasury more than 100 million yuan in taxes and profits.

They are classified as enterprises of large or exceptionally large sizes, or enterprises of key importance to the national economy. Other enterprises are vital to the economic development of regions inhabited by people of minority nationalities, commission officials said.

Speaking at the ceremony for awarding the title of honor, Ismail Amat, state councillor and minister in charge of the commission, called attention to the need to train large numbers of capable factory directors and business managers of minority nationalities.

Since the founding of New China in 1949, he said, the Communist Party and government have fostered a contingent of two million minority cadres.

"While continuing to train cadres from among people of minority nationalities, attention must be focused on the training of entrepreneurs and economic managerial personnel to suit the needs of the economic development," said Ismail Amat, of Uygur nationality.

The 153 are to leave for Fujian, one of the coastal provinces designated by the state to open to foreign investment and technology, after taking part in celebrations of the National Day, October 1, in Beijing.

Organized tours of better developed regions for leaders of minority communities around the time of National Day have become an annual event.

This year's tour, however, is the first exclusively for entrepreneurs, said commission officials.

#### **Personnel Ministry To Hold Technology, Talent Fair**

OW2809150393 Beijing XINHUA in English 1414  
GMT 28 Sep 93

[Text] Beijing, September 28 (XINHUA)—The Chinese Ministry of Personnel will hold a nationwide technology and talent exchange fair at Beijing's International Exhibition center from October 2 to 5.

Chinese provinces, autonomous regions, and municipalities, along with organizations under the State Council, will invite those interested to apply for the 50,000 vacancies to be advertized at the fair.

The vacancies are in the sectors of foreign languages, economics, law, education, computers, the chemical industry, machinery, metallurgy, architecture, agriculture, forestry, textiles, light industry and medicine.

Participants in the event will also display new technologies and patents for exchange.

The first exhibition of its kind in China, the fair reflects the new flexibility in China's personnel policies. More and

more Chinese have thrown off the fetters of centrally-planned employment and have begun to change jobs under the reformed system.

### **Zou Jiahua Inspects Three Gorges Project**

*OW2809171893 Beijing XINHUA in English 1532 GMT 28 Sep 93*

[Text] Yichang, September 28 (XINHUA)—Chinese Vice-Premier Zou Jiahua today inspected the work site and resettlement area of the Three Gorges Project on the upper reaches of the Chang Jiang.

During the inspection tour, he stressed that all the workers on the project should firmly keep the idea of "quality first" in mind, be meticulous in organization and construction, and strictly abide by all the rules and regulations so as to guarantee the progress and quality of the project.

In a shower of rain, the vice-premier visited a work site and a resettlement area. He gave his regards to the workers and the people who had been resettled. He urged local governments to make proper arrangements for all the resettled people to move into new houses before the Spring Festival next year.

He pointed out that migration deeply affects the general public. While stressing political and ideological work, he said, it is necessary to properly solve concrete problems in the migrants' life and work.

Preparatory work for the project is going smoothly. So far, nearly 5,000 workers have been deployed at the project site, together with about 800 sets of construction equipment. Over 10 million cu m [cubic meters] of earth and rock have already been shifted.

Nearly 3,000 local residents have been resettled.

Vice-Premier Zou Jiahua also attended a ceremony to mark the establishment of the China Corporation for the Development of the Chang Jiang Three Gorges Project.

### **Civil Aviation Administration Revokes Fee Categories**

*OW2909100293 Beijing Central Television Program One Network in Mandarin 1100 GMT 28 Sep 93*

[From the "National News Hookup" program]

[Text] The Civil Aviation Administration of China today announced a decision to halt the collection of an initial batch of seven categories of unauthorized fees.

They are: 1) compulsory purchases of insurance; 2) fees for freight entering or leaving storage; 3) service charges for stand-by passengers; 4) fees for forced packaging; 5) fees for restroom hygiene fees; 6) fees for reserving passenger seats; and 7) fees for security inspections.

### **Government Increases Purchase Price of Gold**

*OW2909163493 Beijing XINHUA in English 1510 GMT 29 Sep 93*

[Text] Beijing, September 29 (XINHUA)—China has raised the purchase price of gold by a wide margin to make

the rate closer to international market levels, according to sources from the Ministry of Metallurgical Industry.

Cui Dewen, deputy director of the Bureau of Gold under the ministry, said that the new prices went into effect as of the beginning of this month. He said that the measure showed that China's gold industry has begun to enter the global market.

Rather than maintaining fixed prices set by administrative departments as in the past, purchase prices will be floated according to international levels. Prices are likely to be held at rates 10 percent lower than those quoted in the London Gold Market, Cui said.

He said that all products put out by Chinese gold-producing units should be turned over to the People's Bank. Cui added that enterprises that require gold for manufacturing should buy gold from the People's Bank, and not directly from gold-producing units.

For quite a long time, China's purchase price of gold was much lower than contemporaneous international levels, leading to smuggling and black markets. In the first five months of this year, the volume of gold purchased by the state dropped 57 percent compared with the same period of last year. On May 20, the government raised the purchase price of gold by a slim margin, causing the volume of gold sold to the state to decrease further. [sentence as received]

In order to purchase enough gold to guarantee a steady increase in state reserves and the steady development of the country's gold industry, the central government decided to reform the administration of gold and establish a reasonable pricing system.

### **Discovery of Gold Deposit in Shandong Reported**

*SK2709022793 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 Sep 93*

[Text] The No. 6 geological prospecting team of the provincial geological and mining bureau has recently verified a large-scale gold mine in (Taishang) village of (Linglong) town in Zhaoyuan city. The area of the deposit is estimated at 2 to 3 square km, the thickness of the ore body is estimated at 3 to 5 meters, and the grade is estimated at 5 grams each tonne.

### **Importance of 'Small Towns' to Economy Viewed**

*OW2809173193 Beijing XINHUA in English 1450 GMT 28 Sep 93*

[Text] Beijing, September 28 (XINHUA)—China now holds about 12,000 towns, in addition to over 2,000 satellite towns that orbit just outside major towns, according to officials at the Ministry of Construction.

These towns have played an important role in reducing the distinction between country and urban life and in absorbing surplus labor from rural areas, the sources said.

A dozen years ago, small towns in China were merely political centers of predominately rural areas. Since the

country initiated the policies of reform and opening to the outside world, however, more industrial enterprises have been set up in or around the towns. As a result, these towns have become pioneers in urbanizing the rural areas and have helped improve production and living standards of peasants. The market economy is beginning to change the mode of production and way of life of the Chinese farmers.

The central government has paid great attention to the development of small towns. The government has selected 8,976 sites as experimental towns to collect data for town development. The State Planning Commission has allocated over 100 million yuan annually to support the development of small towns.

### Diseases, Pests 'Serious' Threat to Rice Harvest

HK2909084293 Beijing CHINA DAILY in English  
29 Sep 93 p 3

[Report by staff reporter Wang Yonghong: "Pests Pose Threat to Rice Harvest"]

[Text] Plant diseases and pests are posing a serious threat to early-season and late rice crops, an Agriculture Ministry official said yesterday.

More than 10 million hectares of rice are in danger from rice blast infestation, said the spokesman for the ministry's General Station of Plant Protection (GSPP).

Most of the country's rice fields are more seriously affected by rice disease than last year.

Figures from the ministry showed that Sichuan—the country's major grain producer—was the worst-affected area with over 4.4 million hectares of rice affected by the disease, followed by Guizhou and Hunan Provinces and parts of Guangxi Zhuang Autonomous Region.

The disease has also made inroads on the rice-growing provinces in the east and northeast China, striking Jiangxi, Jiangsu, and Anhui Provinces, the spokesman said.

Some 6,700 hectares of rice fields in Anhui Province will yield no harvest this year because of disease, he said.

The damage had become so grave mainly because the rice blast had flourished in the heavy rain the areas have had recently.

Some old hybrid types of rice have a low resistance to disease, he added.

It is estimated that rice blast, together with other plant pests and diseases, will consume 5 to 10 percent of the yield in the affected areas.

And the percentage will rise if no prompt and more effective combating methods are taken, he said.

Last year, some 4.66 million hectares of rice fields were hit by rice blast.

The spokesman said the local authorities and farmers in the disease-hit areas have taken every possible action to keep losses to a minimum.

Most of the country's 10,000 plant clinics, 25,000 plant protection agencies, and 300,000 plant protection workers have switched their attention from cotton boll worm to the current rice diseases.

But the spokesman said the fight was being seriously hindered by the lack of efficient, quality pesticides.

Meanwhile, Agriculture Ministry sources said the control of the fourth generation of cotton boll worm has been controlled.

So far, 16 million hectares of cotton hit by the pest have been harnessed and less than 3 per cent of cotton plant buds were infested.

That is 27 per cent less than last year, when cotton pests cost a record 382,300 tons of cotton.

Cotton plants are growing well and no such heavy losses are predicted this year.

But the ministry urged local authorities to remain vigilant and take all necessary measures to ensure a good cotton harvest next year.

### Land Preservation Meeting Ends in Inner Mongolia

SK2909123393 Hohhot Inner Mongolia People's Radio  
Network in Mandarin 1100 GMT 28 Sep 93

[Text] The national meeting on the project to prevent the land from becoming sandy ended in Chifeng this afternoon after a five-day session. During the meeting, Comrade Jiang Zemin [words indistinct]. On behalf of the State Council, State Councillor Chen Junsheng made an important speech on how to achieve success in the project to prevent the land from becoming sandy. Xu Youfang, forestry minister, made a report entitled "Conscientiously Summarize Experiences, Strengthen the Overall Control, Promote the Project To Prevent the Land From Becoming Sandy, and [words indistinct]." Leaders of [words indistinct] offered many good opinions and suggestions on how to prevent the land from becoming sandy.

During the meeting, representatives of the meeting also went to (Yinshan) and (Jinshan) districts in Chifeng city and the exemplary antidesertification areas in Aohan Banner to conduct on-the-spot observations. Representatives of 14 units, including the government of the Inner Mongolia Autonomous Region, related their experiences in preventing the land from becoming sandy.

Forestry Minister Xu Youfang presided over the closing ceremony. Zhu Guangyao, vice minister of forestry, made a closing speech.

The meeting demanded: The party committees and governments at all levels in sandy areas should strengthen their sense of responsibility and establish the system in which leading cadres assume responsibility for fulfilling targets within their tenure of office. All departments concerned should closely cooperate with one another and do a solid job to successfully prevent the land from becoming sandy. The broad masses in sandy areas should continue carrying forward the spirit of arduous struggle and pioneering the

road of advancement and striving to create a new situation in China's work of preventing the land from becoming sandy.

Zhang Tingwu, vice chairman of the Inner Mongolia Region, attended the closing ceremony. Also attending the closing ceremony were responsible members of governments and forestry departments of key provinces, municipalities, autonomous regions in sandy areas; and responsible members of pertinent departments, commissions, offices, bureaus, and the units participating in the projects of preventing the land from becoming sandy.



## East Region

### Expressway in Chang Jiang Delta Under Way

OW 2909085693 Beijing XINHUA in English 0810  
GMT 29 Sep 93

[Text] Nanjing, September 29 (XINHUA)—Construction of an expressway across east China's Chang Jiang River delta is in full swing.

According to a plan, the 274-km expressway will run from Shanghai, the country's largest economic center, to Nanjing, capital of Jiangsu Province.

Upon completion at the end of 1996, the expressway will connect economically-booming cities and towns including Suzhou, Wuxi, Changzhou and Zhenjiang.

So far, a construction blueprint has been drawn up, and 56 of the 58 road sections of the expressway have been contracted out.

Some 50 percent of the ground work has been completed so far.

The four-lane expressway runs 248.6 km in Jiangsu Province and 25.4 km in Shanghai, including a branch line of 10.7 km to link up with Zhenjiang city in Jiangsu.

An official in charge of the project said that the expressway, which allows motor vehicles to travel at speeds up to 120 km per hour, will shorten a nine-hour ride from Nanjing to Shanghai by more than six hours.

He noted that the project includes construction of 367 bridges, 880 culverts, 15 complex interchanges, three service districts and four parking areas, with budgeted investment amounting to 4.73 billion yuan.

At present, 20,000 builders equipped with modern machinery facilities are working round the clock at construction sites.

Aiming at improving regional investment conditions and boosting the development in Pudong New Area in Shanghai, the State Planning Commission has listed the expressway as a key project for the Eighth Five-Year Plan period (1991-1995).

A survey shows that the gross industrial and agricultural output value in the Chang Jiang River delta makes up one sixth of the country's total.

The expressway is expected to ease the overloaded traffic facilities in this delta.

### Fujian Governor Discusses Township Enterprises

HK2809142693 Beijing ZHONGGUO XINWEN SHE  
in English 1335 GMT 28 Sep 93

[Text] Fuzhou, September 28 (CNS)—Governor of Fujian Province, Mr. Jia Qinglin, said yesterday that Fujian should give greater opening to its township enterprises and push them forward to join international competition.

According to statistics, in the first eight months of this year, township enterprises in the province earned an industrial output value of RMB [renminbi] 40.6 billion, 113 percentage points up over the same period last year. Their exports amounted to RMB 9.3 billion, 107 percent up.

According to the governor, since the beginning of this year, township enterprises in the province had seen an increasing enlargement of their development scale, a gradual growth in their economic results and rapid development in their export-oriented economy. The province would adopt four measures to push such enterprises to entering the international market.

First, more foreign-funded enterprises will be set up at township level with utilization of foreign capital for this purpose expected to reach US\$800 million per year.

Second, more enterprises of this kind will be granted the right to engage in direct foreign trade.

Third, enterprises in this sector will be encouraged to take part directly in international competition.

Fourth, the adjustment of the structure of such enterprises will be speeded up with the focus of their development concentrated on raw and finished materials and construction materials industries as well as those for agricultural purposes, those with intensive capital and technology and export-oriented ones.

### Chen Huanyou Becomes Jiangsu Party Secretary

OW 2909093393 Beijing XINHUA in English 0827  
GMT 29 Sep 93

[Text] Nanjing, September 29 (XINHUA)—The Chinese Communist Party (CPC) Central Committee recently appointed Chen Huanyou as secretary of the provincial party committee of east China's Jiangsu Province, replacing Shen Daren.

Chen, now 59, is governor of the province. Since 1981, he has served successively as director of the provincial planning and economic committees, deputy governor, deputy secretary of the provincial party committee and acting governor.

Chen is a member of the 14th Central Committee of the CPC.

### Columnist Appraises Jiangsu's Market Economy

HK2409140343 Beijing RENMIN RIBAO OVERSEAS  
EDITION in Chinese 13 Sep 93 p 2

["Notes on a Trip Along the Chang Jiang" column by staff reporter Zhang Pingli (1728 1627 0500) "The Charm of the Market Economy"]

[Text]

### Effects of the Riverside Economic Structure

As it flows into Jiangsu, the Chang Jiang describes several graceful curves, which make it more tender and charming. In the embrace of the Chang Jiang, Jiangsu people have done a very good job of developing the local economy and proving themselves worthy of the generous gifts offered by nature. Since the Third Plenary Session of the 11th CPC Central Committee, the average annual gross national product [GNP] growth rate has stood at 11.1 percent, ranking Jiangsu among the most economically advanced provinces across the land. Jiangsu is where China's first township enterprises were set up and so its township enterprises hold a dominant position over the country. The economic strength of local township enterprises "accounts for 50 percent of Jiangsu's total." It is currently opening its doors wide to the outside world with such a vigor that it is a match for any other province. Attracted by Jiangsu's developed economy, culture, and science and technology, as well as its good water transportation facilities featuring "a river link and access to the sea," many overseas businessmen have invested in Jiangsu. There are now 14,000 foreign-funded enterprises in Jiangsu involving \$12.94 billion and it is now one of the most open provinces in China.

Jiangsu's past achievements are innumerable, but let us now take a look at an interesting phenomenon which shows the close relationship between the Chang Jiang and Jiangsu. There are seven cities along the Chang Jiang in Jiangsu, and six of these, whose total GNP accounts for over 70 percent of Jiangsu's total, are among "the best of China's top 50 cities in terms of their comprehensive economic strength." In 1991, China selected "the top 100 counties" based on their comprehensive economic strength. Of the 100 counties, 22 are in Jiangsu, and, of the 22, 21 are located along the Chang Jiang. Jiangsu's most economically advanced cities are on the riverside and so is its main economic strength. This is not an exaggerated assessment. People cannot help but ask: Who arranged the "riverside structure" which has played such an important role in Jiangsu's economic development?

### Give Play to Market Mechanism

It appears to be a question worth answering. Last year, the CPC Central Committee and the State Council called a "Conference on Economic Development in the Chang Jiang Delta and the Areas Along the Chang Jiang and Their Opening Up" to draw up a strategic program for an economic launching in this region in the 1990's. The Jiangsu authorities showed unprecedented enthusiasm for this strategic program, giving profound consideration to the role they would play in carrying it through and making a careful plan for fulfilling the task assigned to them. Jiangsu is comparatively poor in natural resources but it has two valuable assets: One, it has plenty of water—with the Chang Jiang flowing from east to west and the Grand Canal from south to north and the criss-cross network of channels they form, Jiangsu has a total of 23,000 km of navigable waterway, representing a considerable transport

capacity; and, two, it has a large scientific and technological army—there are 110 science and technology workers out of every 10,000 people, 344 scientific research institutes at county level and above, and 72 colleges and universities in the province and secondary education, with the stress on vocations, education has initially been made universal among young people. The reason these two strong points became two major boosters for Jiangsu's rapid economic growth in late 1970's, lay in the earlier development of the economic operation mechanism which mainly relied upon market regulation.

It was due to the growth of the market economy that it was possible for economic organizations "outside the plan" along the Chang Jiang to make use of the two strong points plus the plentiful labor resources and to attract funds, from within and outside the country, to set up hundreds of thousands of enterprises in the cities along the Chang Jiang, including Nanjing, Changzhou, Wuxi, Suzhou, and Nantong. These enterprises serve as Jiangsu's industrial pillars producing petrochemical products, automobiles, electrical power, machinery, textiles, light industrial products, and building materials, with their economic strength accounting for 80 percent of Jiangsu's total. It is the invisible and ingenious hand of the market economy which arranged the "riverside economic structure" in Jiangsu, which is not rich in natural resources.

Jiangsu's rich and vivid experiences in boosting the economy provide it with "references" in formulating its own economic development plan while joining other provinces in realizing the strategy for economic development in the areas along the Chang Jiang and opening these areas to the outside world. Jiangsu people maintain that in realizing the strategy, Jiangsu should serve as the "dragon's neck" linking Shanghai and Pudong, which act as the "dragon's head," for other provinces along the Chang Jiang, which act as the "dragon's body." Jiangsu Governor Chen Huanyou described Jiangsu's principles for development as follows: Step up reforms to basically set up a new economic operating mechanism based mainly on market regulation; quicken the pace of opening up to the outside world to create a new economic advantage based mainly on an export-led economy; accelerate scientific and technological progress to form a new industrial pattern with high and new technologies playing the leading role; and improve economic efficiency and readjust the economic structure as soon as possible to attain the "second-step strategic objective" ahead of schedule; it is essential that we give top priority to market regulation, give play to market forces in more areas, and bring the role of market mechanism into full play to develop a socialist market economy.

### Strive for the Best Results

Since last year, the Jiangsu Government has taken many important measures in the spirit of "openness" to develop the economy. Boldly, it got right on the job, lifting price controls to stimulate the economy, relaxing the policy on economic matters, granting power to enterprises, and

streamlining administration while focusing on strengthening macroeconomic control, to create the necessary conditions for Jiangsu's economy to shift to the market economy. It tried "openness" in more and more aspects and removed obstacles so that the market mechanism could play an optimum role in allocating economic resources. In the last two years, Jiangsu has formulated and applied a series of effective measures, including sending about 100 state-owned and township enterprises with comparative financial strength to foreign countries to do business or run factories, as well as the same number of enterprises to Pudong, Shanghai, to help develop the financial market, trade, and industries using high and new technologies. In the meantime, Jiangsu made all areas across the province accessible to investors and channeled foreign and domestic funds into infrastructural facilities, building 57 ports capable of handling 10,000 tonnes of cargo along the Chang Jiang; opening 20 domestic and international airlines; laying seven optical-fiber telecommunications lines in the coastal areas and areas along the Chang Jiang in the province; building up a 900-mHz mobile telecommunications network; installing program-controlled exchange equipment in 11 provincial municipalities throughout the province; and automating the telephone service in cities at county level and above. The construction of the expressway linking Shanghai and Nanjing, and of the highway bridge spanning the Chang Jiang in Jiangyin, the renovation of the Sunan Canal, and the construction of six infrastructural facilities including the Lukou Civilian Airport in Nanjing, are already under way. With the infrastructural facilities being greatly improved and a large number of projects offered for foreign investment, Jiangsu has succeeded in incorporating a greater amount of foreign funds into its market economy, which is increasingly thriving. In the first five months of this year, Jiangsu approved the establishment of 4,000 foreign-funded enterprises, up 310 percent over last year's figure. Jiangsu now ranks second only to Guangdong among the provinces and autonomous regions across the country in terms of the number of foreign-funded enterprises and the total amount of overseas funds used.

Jiangsu's policies to develop a market economy, which focused on "trying openness" to promote economic reforms, applied to all areas. It lifted restrictions on state-owned large and medium enterprises to revitalize their operation; tried openness in "operation, pricing of products, employment of the labor force, and internal distribution" in the circulation and trade links; and lifted price controls over the majority of manufactured consumer goods and agricultural and sideline products, initially changing the weak status of agriculture in the province's economic structure.

The market economy has breathed new life into the areas along the Chang Jiang in Jiangsu. More than 300 domestic and foreign-funded industrial enterprises using high and new technologies, including microelectronics, biomedical engineering, and fine [jing xi 4737 4798] chemical engineering and producing program-controlled telecommunications equipment, were set up in the development zones for industries using high and new technology in Nanjing,

Pukou, Changzhou, Wuxi, and Suzhou with the investment nearing 10 billion yuan. Over 10 famous international corporations, including the Philips Company of the Netherlands, Germany's Siemens and BASF Companies, the Italian Fiat Company, and other companies from the United States and Japan, came to Jiangsu to set up large basic industries, rapidly boosting Jiangsu's petrochemical, automobile, electronics, machine-building, and many other important industries. Jiangsu's township enterprises are to merge into large industrial enterprises. The annual industrial output value of 700 township enterprises in Jiangsu has exceeded 100 million yuan and, in 30 of them, 1 billion yuan. A total of 50 township enterprise groups play an important role in introducing foreign funds, expanding export business, and developing industries using high and new technology. About 20 percent of the products produced by Jiangsu's township enterprises are sold abroad, 30 percent in Jiangsu, and 50 percent in other provinces and autonomous regions. This explains why Jiangsu's township enterprises can exist and develop. Jiangsu people now have good faith in an irrefutable truth: They can solve the problems concerning insufficient economic resources, irrational allocation of economic resources, and development of important and new industries more effectively and quickly by developing a market economy than by any other means.

The tide in the Chang Jiang is surging high and a thousand boats are setting sail. The market economy is providing Jiangsu with free wind to carry the sail well.

#### **Jiangsu Forms Agricultural Service Network**

OW2909080793 Beijing XINHUA in English 0731  
GMT 29 Sep 93

[Text] Nanjing, September 29 (XINHUA)—East China's Jiangsu Province has formed a service network in rural areas.

The network consists of 8,800 economic entities providing a package of paid services ranging from seeding and harvesting to marketing in addition to consulting on agrotechniques and management.

With 1.4 billion yuan capital in total, the service network has employed 150,000 people.

It has handed over 300 million yuan in taxes to the state over the past three years, the same amount as the government appropriation for agriculture, forestry and animal husbandry in Jiangsu in the same period.

Traditionally, service in agriculture was funded by the government and focused on technical help in the period of crop growth.

Since China's recent development of the market economy, many industrial enterprises have lent a helping hand to farmers in grain storage, processing and marketing.

While selling chemical fertilizer and farm machinery directly on the farm, they help farmers to transport farm goods to market.

At present, the province has established an integrated farm-industry-commerce network to meet the need to specialize components of the rural economy.

According to statistics, the trade volume of these economic entities in 1992 reached eight billion yuan, up 46 percent over the year before.

The profit from these economic entities was reinvested in agriculture and its service network.

During the Seventh Five-Year Plan period (1986-1990), 160 million yuan were spent on the expansion and improvement of the service network.

Since then the province has withdrawn over 20 million yuan from the profits made by the economic entities for high-tech agricultural experiments every year.

In addition, the provincial government has granted more allowance to agro-technicians in a bid to arouse their enthusiasm in scientific farming.

#### Shandong Details Development Zones Plans

SK2609121693 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 25 Sep 93

[Text] According to the information obtained by this reporter from the provincial work conference on planning and management of development zones that ended on 25 September, there are 64 development zones of various types in the province, including economic and technological development zones, high and new technology development zones, export-oriented industrial products processing zones, and general experiment zones opened to the outside world. Of these development zones, 10 are of the state level and 54 of the provincial level. These zones cover a total planned area of 350 square km. An obvious characteristic of the construction of the province's development zones is: Being based on long-term benefits, making plans in advance, and being reasonable in distribution. In building development zones, all cities and prefectures have organized special forces and invited domestic and foreign specialists to formulate detailed and specialized plans, have tried their best to set up the building of development zones to the building of the old city proper and bring it in line with the overall urban planning, and subject the building of development zones to unified management.

Thus far, most development zones in the province have shifted from the stage of planning to the stage of construction. Of these development zones, more than 55 percent have begun to take shape, 35 percent have been provided with the basic condition for foreign investment and construction, and some projects are already under construction.

#### Shanghai District Develops Commercial Center

OW2909065993 Beijing XINHUA in English 0618 GMT 29 Sep 93

[Text] Shanghai, September 29 (XINHUA)—Shanghai, China's largest metropolis, is developing its Huangpu District into the center of its modern business life.

Experts in urban planning and construction from the United States, Canada, Britain, Australia and Hong Kong and other parts of the mainland are gathering here to discuss how to rebuild the district.

The 4.58 square kilometer Huangpu District houses shops, restaurants and recreation facilities.

The plan is for the district to have three blocks of banking and foreign trade, shopping, and cultural, recreational and tourist facilities when the transformation is completed.

They will be linked by the Nanjing Road, the busiest section of the city, and a ring road consisting of the Jinling Road, Waitan, Beijing Road and Tibet Road.

### Central-South Region

#### Effects of Guangdong Economic Activities Noted

HK2909004293 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 26 Sep 93

[Text] Through the practice of market economy, people's awareness of economic benefits has been greatly heightened. In the meantime, social benefits have been fading away in some people's memory. Some claim that as long as a means brings money, it is beneficial. As a result, evil practices that seriously harm society, such as making counterfeit products, selling substandard goods, trafficking in drugs, smuggling, prostitution, and gambling, have become such an attraction to some people—because of their increased profitability—that they are attracted to them and even risk great danger. Some cadres and functionaries have become participants in, or shields for, these lawless activities and have embarked on a life of crime.

Seeking economic benefits is certainly not wrong. However, one should also be aware that economic benefits and social benefits cannot be promoted simultaneously. Under normal circumstances, good economic benefits may bring good social benefits, but the greater the economic benefits deriving from lawless and dirty deals, the greater the harm they do to society.

An amusement center in Shenzhen conducted so-called premium games with TV games. Its net profit each month was over 4 million yuan, 10 times the lump-sum investment, which was shockingly high. However, the degree of harm that this type of gambling under the guise of premium games did to society is unimaginable.

At present, some localities are experiencing sharply increased crime rates and chaotic social order. Is it not related to the spread of this kind of repulsive phenomenon in society?

True, we should pay attention to economic benefits. But in the meantime, we must also consider the social effect and adhere to the consistency between economic benefits and social benefits. If one does bad things that harm society and violate social ethics in order to make money, one will end up utterly discredited with nothing gained and will eventually be condemned by society.



### Zhanjiang Police Chief Arrested for Suspect's Death

HK2909100393 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1030 GMT 13 Sep 93

[Text] Guangzhou, 13 Sep (ZHONGGUO TONGXUN SHE)—Liu Jingming, chief of the Tangfeng police unit of Lianjiang County, in the city of Zhanjiang, was arrested on 10 September by the local judicial department for directing the torture of the suspect Liang Rihua, who died.

The case shows that at 0020 on 17 May, public security officers—including Huang Chengwu, of the Tangfeng police unit—arrested a young man named Liang Rihua, who was suspected of stealing chickens. At 0930, Liu Jingming had Huang Chengwu interrogate Liang, who did not admit to the crime. At 1040, Liu Jingming said: "If he does not admit it, let him suffer something; if he continues to deny the theft, hang him up." Huang then took Liang to the television hall on the second floor and continued the interrogation, and Liang continued his denials. Huang and a person called Liao then pulled Liang up and hung him on a window pillar with his feet barely touching the ground. Huang then called another public security officer named Qiu to watch over Liang. During his watch, Qiu continued to beat Liang on the joints of the legs with a wooden stick. At approximately 1300, Liang went into a coma and died.

### Shenzhen Party Cadres Face Legal Action

HK2809152493 Guangzhou Guangdong People's Radio Network in Mandarin 0400 GMT 25 Sep 93

[Text] At yesterday's enlarged meeting of the Shenzhen CPC Committee Standing Committee, the city discipline inspection commission and supervision bureau decided on stern actions against 12 CPC cadres who were involved in serious violations of discipline and the law such as embezzlement, bribe-taking, neglect of duty, malfeasance, corruption, and degeneration. These 12 CPC cadres are: Chen Binggen, former chief of the Shenzhen Real Estate Administration Bureau; Zhang Jieru, former deputy manager of the housing loan department of the Shenzhen branch of the Construction Bank; Huang Hainan, former manager of the Shenzhen Housing Sale and Rental Service Company; Wang Dianye, former director of the Finance and Trade Department of the Shenzhen Planning Bureau; Wan Hanguang, former chief of the second subbureau of the Shenzhen Tax Bureau; Liu Yubin, former member of the party committee of the Nanshan District Public Security Subbureau of Shenzhen; He Wei, former senior engineer of the Telecommunications Department of the Shenzhen Posts and Telecommunications Bureau; Su Tianyu, former general manager of the Shenzhen Friendship Trading Center; Li Jianhuan, former deputy general manager of the Shenzhen Company of the China National Foreign Trade Transportation Corporation; Zeng Lihua, former deputy general manager of the Shenzhen Engineering Consultancy and manager of its Guangzhou branch; Chen Jiandao, former deputy general manager of the China Xingye Trading Company Limited; and Zhang Zhiqing, former assistant general manager of the Shenye Industrial and Trade Development Company.

With the approval of the Shenzhen CPC Committee, these 12 party members who violated discipline or the law—with the exception of Zhang Zhiqing, who received the punishment of one year's probation within the party—were expelled from the party or removed from office. Some of them have been handed over to the court and received the death penalty or a death sentence with reprieve at first trial. Some of the cases are under further investigation by judicial organs, and what lies ahead of them is punishment by law.

### Haikou Executes Ten 'Criminals' for Graft

OW2909022993 Beijing XINHUA Domestic Service in Chinese 1323 GMT 28 Sep 93

[Text] Haikou, 28 Sep (XINHUA)—The Haikou Intermediate People's Court held a mass meeting at the Haikou People's Court yesterday morning to publicly pronounce judgment, in accordance with the law, on 24 criminals who committed serious economic and criminal offenses. Xue Genhe and nine other criminals were executed in accordance with the law.

The meeting announced that following the trial by the Haikou Intermediate People's Court, and with the approval of the Supreme People's Court, death sentences were handed down in accordance with the law on Xue Genhe, Chen Yiquan, Xiong Daoxian, Zhao Dongfang, and Yang Shaoqiong—the five principal offenders in the largest graft case since the country's founding (involving 33.44 million yuan public funds of the bank, 6 million yuan of which was of attempted graft). Zhang Dequan, Xiong Yuanlong, and Dai Kaiye—three accomplices in the same case—were sentenced to 15 years, six years, and three years imprisonment respectively.

At the end of the mass meeting Xue Genhe, Chen Yiquan, Xiong Daoxian, and seven other criminals who received the death sentence were escorted to the execution ground and executed.

## North Region

### Inner Mongolia's Wang Qun on Party Building

SK2809060793 Hohhot NEIMENGGU RIBAO in Chinese 14 Sep 93 pp 1, 4

[By reporter Zhang Zhaocheng (1728 0340 2052) and Inner Mongolia People's Broadcasting Station reporter Niu Yaming (3662 0068 5407): "Strengthen Party Building, Launch the Anticorruption Struggle, and Promote the Healthy Development of Reform, Opening Up, and Economic Construction"]

[Text] The regional conference on party building was held in Hohhot on 13 September. Wang Qun, secretary of the autonomous regional party committee, gave an important speech on strengthening party building and launching the anticorruption struggle at a joint session held that afternoon.

Major purposes of the conference were to relay and study the guidelines of Comrade Jiang Zemin's recent important speech on improving the ideology and work styles of leading bodies, launching the anticorruption struggle, and achieving success in economic work and, based on the party Central Committee's important arrangements on these aspects of work, to study and discuss the opinions on implementing these arrangements in the region and put forward measures for these aspects of work.

Qian Fenyong, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional committee of the Chinese People's Political Consultative Conference [CPPCC], chaired the joint session in the morning. General Secretary Jiang Zemin's important speeches given at the second plenary session of the Central Discipline Inspection Commission and the national organizational work conference and the guidelines of the economic work forum of the eight provinces, regions, and municipalities of northeast and north China were relayed at the session.

Wu Liji, deputy secretary of the autonomous regional party committee and chairman of the autonomous regional government, presided over that afternoon's session. Attending were Qian Fenyong, Bai Enpei, Wang Zhan, Geriletu, Yang Enbo, and Wuyunqimuge.

Also attending were standing committee members of the autonomous regional discipline inspection commission, vice chairmen of the autonomous regional government, deputy secretaries of the leading party groups of the autonomous regional people's congress and CPPCC committee, and responsible comrades of various leagues and cities, pertinent regional departments, large industrial and mining enterprises, and higher educational institutes.

Wang Qun's important speech was composed of three parts. First, we should enhance the awareness of and the sense of responsibility for making party building successful and exert great efforts to address the conspicuous problems in party building. He said: We should have a realistic estimation of the current situation in party building if we are to enhance the sense of responsibility and urgency toward the task of strengthening party building in the new situation. On the whole, our party's basic situation is good. We should affirm this mainstream of the situation. However, we should also remain realistic to see the many problems we must not neglect in party building, of which some are very serious. Wang Qun said: We should make our comrades understand that our party will never let corrupt phenomena, a malignant tumor, destroy the glorious contingent of our party and our People's Republic. The party and the people support this. All loyal Communist Party members should cast away their load and pluck up their courage to wage resolute struggles against the corrupt phenomena within the party.

Second, we should regard improvement of leading bodies' ideology and work styles as the focus of the task to strengthen party building and make conscientious efforts to win good results. Wang Qun pointed out: The general target and requirement of the current efforts to improve

the ideology and work styles of leading bodies is to thoroughly implement the guidelines of the 14th national party congress; take Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guide; address the current conspicuous problems; strive for a high degree of unity in ideology, politics, organization, and action; and build leading bodies at all levels into strong collectives which are politically firm, brave in reform, realistic and creative, united and coordinated, and honest and diligent, which maintain close ties with the masses, and which comprehensively implement the party's basic line. Based on this target and requirement, we should emphasize the following work.

A. We should study and master the theory of building socialism with Chinese characteristics and make great efforts to improve the political quality and leadership level of the leading bodies at and above the banner or county level. Leaders at all levels should understand anew the importance of intensifying theoretical study, take the initiative in overcoming the tendency of neglecting study, and conscientiously do a good job in their own theoretical and policy study. We should persistently integrate theory with practice; have the ability to guide the specific work of our own localities, departments, and units with scientific theories; and strive to transform our subjective world while transforming the objective world. By stepping up efforts to improve ideological and theoretical levels, we should enable leading cadres at all levels in the region to achieve notable progress in maintaining unity between emancipating the mind and seeking truth from facts, in understanding and handling the relationship between "one central task and two basic points," in implementing the strategic principle of "attending to two tasks simultaneously and being competent in both," and in the ability to lead reform, opening up, and the development of the socialist market economy. In this way, they will better meet the requirements of the new situation and tasks.

B. Based on reality, we should conduct education on the purpose of the party and raise the awareness in serving the people wholeheartedly. We should conduct regular education on the purpose within the party, first of all in leading bodies, and advocate transformation of the world outlook on one's own accord. Leading cadres at all levels should often go deep into the grass-roots levels to understand the hardships of the masses, experience public feeling and public opinion, strive to shorten the distance from the masses, and have a political responsibility to serve the people.

C. We should adhere to and improve democratic centralism, ensure the unity and solidarity of the entire party, and improve the party's rallying force and combat effectiveness. We should have a good command of the relationship between democracy and centralism and have a clear-cut stance in opposing the numerous erroneous tendencies that go against democratic centralism within the party. We should adhere to the principle of "four obediences" to ensure implementation of the various decisions of higher authorities and the smooth enforcement of government orders. We should establish and improve the various work

systems and regulations for discussions to specify the principle of democratic centralism.

D. We should maintain the work styles of going deep into the reality of life and making earnest efforts to do practical work and perform all work in a down-to-earth manner. We should further change work styles. Based on the requirement of the central authorities, leading cadres at and above the banner or county level should devote at least one to two months a year to visiting workers, peasants and herdsmen, teachers, and scientific and technical personnel directly to listen to their truth and ascertain the true situation. Leading cadres at all levels should adopt effective measures to reduce documents and meetings as many as possible and refrain from attending unnecessary activities so as to spare more time to visit grass-roots levels. We should establish a responsibility system and clarify the responsibility to be assigned to each person. We should define work priorities, tasks, and requirements in line with specific local conditions and attend to conspicuous issues persistently until they are resolved.

Third, we should lead well the anticorruption struggle to make sure that achievements are won in different stages. Wang Qun pointed out: Leading cadres at all levels should fully and thoroughly understand the important significance of the anticorruption struggle from the strategic perspective of the life and death of the party and state political power and the rise and fall of the socialist cause with Chinese characteristics. They should unify their thinking in line with the guidelines of Comrade Jiang Zemin's important speeches, enhance the sense of responsibility and urgency toward the anticorruption struggle, and assume the leadership responsibility on their own accord.

Wang Qun emphasized: We should devote efforts and time to implementation of the three tasks of the anticorruption struggle for the near future. Party committees and leading organs at all levels should pay close attention to them and carry them out strictly and in a down-to-earth manner. We should set strict demands, have the courage to tackle difficulties, and never talk more and do less or talk only without taking action. We should handle cases and solve problems one by one and never stop until good results are achieved. The six major leading bodies of the autonomous region and leading cadres with party membership at and above the departmental or bureau level of various leagues and cities should take the lead in honesty and self-restraint and do a good job in self-examination and making corrections. They should discipline themselves well and discipline their relatives, children, the personnel working beside them, members of the leading bodies, and major leaders of their subordinate units. They should organize and lead well their own localities and departments and their subordinate units and trades in their endeavors to conduct self-examination and make corrections, to investigate and handle cases, and to launch special campaigns for correcting the unhealthy trends with which the masses are most dissatisfied.

We should have a correct understanding of the principles for the anticorruption struggle, especially the need for

upholding the party's basic line, and serve reform, construction, and development, with the focus on the central task of economic construction. People who intercede for corrupt elements and seriously interfere with and hinder investigations of cases should be dealt with strictly.

We should solve the problems in mechanisms and systems by extending the degree of reform, manage well the areas and links where corruption is most likely to occur in the process of transition from the planned economy to the market economy, and fundamentally eliminate the soil and conditions from which corrupt phenomena are produced and grow. We should strengthen socialist democracy and the legal system through reform.

We should establish a strict responsibility system. On the premise that top party and government leaders personally assume the responsibility, work should be clearly divided and special personnel assigned to make every level attend to and lead the work of the next lower level. Regarding large and serious cases and the unhealthy trends with which the masses are most dissatisfied, major party and government leaders should attend to them personally, hold meetings to study them, and make decisions on them.

In conclusion, Wang Qun pointed out: After devoting some time to the accomplishment of the three tasks for the near future, we should carry out the anticorruption struggle persistently; reduce corrupt phenomena to the minimum; enhance the party's rallying force, appeal, and combat effectiveness; further protect and boost the enthusiasm of cadres and the masses of various nationalities for building socialism with Chinese characteristics; and promote the smooth development of the region's reform, opening up, and socialist modernization.

Wang Qun presided over the preparatory meeting held on the evening of 12 September. Bai Enpei gave a speech on the important significance of this regionwide party building conference, the methods for holding it, and the requirements.

#### **Tianjin Reports on Jan-Aug Economic Situation**

*SK2609010793 Tianjin TIANJIN RIBAO in Chinese 11 Sep 93 p 1*

[Text] A few days ago, Mayor Zhang Lichang conscientiously summed up and analyzed the municipal situation on economic performance with responsible comrades of relevant departments. The results follow: During the first eight months of this year, the municipality achieved rapid economic development; all major economic targets were fulfilled fairly well; economic efficiency continued to increase after a decline; financial revenue increased noticeably; the financial situation was quite stable; structural readjustment was smoothly carried out; the supply of funds was quite rational; and the people's living standard was improved. Zhang Lichang fully affirmed the municipal economic performance of the previous stage. He called for efforts to deepen reform, to strengthen readjustment, to expand opening up, to raise efficiency, to guarantee the fulfillment of all annual economic targets, and to lay a solid foundation for next year's economic development.



Since the beginning of this year, the municipality has conscientiously implemented the guidelines of the 14th party congress, the municipal party congress, and the municipal people's congress; resolutely implemented all measures of the central authorities on strengthening macroeconomic regulation and control and successfully carrying out economic work; expanded the degree of reform and opening up; firmly grasped the work on ending deficits and increasing profits; unceasingly readjusted the structure; raised economic efficiency; and maintained a good trend of sustained and sound national economic development. The main manifestations were:

**Sustained industrial production increased.** During the January- August period, the total output value of industrial enterprises at and above the township level across the municipality reached 53.99 billion yuan, up 18.7 percent over the same period of last year. The sales value of industrial enterprises reached 51.16 billion yuan, up 21.3 percent over the same period of last year, and the sales rate reached 96.86 percent. Of this, the total industrial output value of large and medium-sized enterprises across the municipality increased 13.2 percent over the same period of last year, and the growth of sales value was higher than the growth of production.

**Economic efficiency continued to increase.** During the January- August period, the local state-owned budgetary industrial enterprises created 2.319 billion yuan in profits and taxes, up 12.6 percent over the same period of last year. The number of money-losing enterprises and the volume of deficits declined every season.

**Financial revenue increased remarkably and the people's living standard was improved.** During the January-August period, the municipality created 4.79 billion yuan in financial revenue, up 22.9 percent over the same period of last year, and succeeded in making the financial increase keep pace with the increase in production. During the first eight months of this year, the average per capita wage of workers across the municipality rose by 20.3 percent. If the factor of price hikes was deducted, the actual increase was 3.7 percent. The average per capita cost of living of the residents across the municipality actually increased 10 percent if the factor of price hikes is excluded.

**The investment structure was optimized.** During the January- August period, investments made by state-owned enterprises across the municipality reached 7.664 billion yuan, an increase of 31.3 percent over the same period of last year. The investments made by other local state-owned enterprises reached 5.569 billion yuan, up 43.3 percent. The priorities of investments in fixed assets were in basic industries, including energy, communications, and major raw materials, and in infrastructure facilities. A batch of urban infrastructure facilities and key technological transformation projects were making good progress and will soon be completed.

**The pace of using foreign capital was expedited and the foreign export trade increased.** During the January-August period, the municipality signed agreements on establishing 2,616 foreign-funded enterprises of three types, and the

agreements involved foreign capital worth \$1.71 billion, an increase of 230 percent and 100 percent, respectively, over the same period of last year. Among these enterprises, large projects, exclusively foreign-funded enterprises, and tertiary industrial items increased noticeably and the development trend was strong. The total export value of the municipal foreign-funded enterprises amounted to \$1.304 billion, an increase of 5.9 percent over the same period of last year. Of this, the export volume of the three types foreign-funded enterprises increased 100 percent.

The major problems in economic performance were: the development of industry was not balanced and the increase in light and textile industries was slow, the enterprise deficit range and volume remained quite large, and operational funds were tight and the funds for key projects were not put in place properly.

Zhang Lichang pointed out: Since the beginning of this year, the municipality has witnessed a normal and sound national economic development and succeeded in increasing the rate, efficiency, and finances simultaneously. This was a result of the joint efforts of the people across the municipality under the municipal party committee and the municipal government. To this end, we should keep a clear head, recognize the situation clearly, know the situation well, and fully estimate the new situation and new problems that may emerge in the next few months and the difficulty of successfully carrying out economic work.

Zhang Lichang stressed the need to implement continuously and scientifically the various measures of the central authorities on strengthening macroeconomic regulation and control and to maintain a trend of sustained, quick, and sound national economic development in the whole municipality. He stressed that the higher and the lower levels across the municipality must deepen reform, strengthen readjustment, expand the degree of opening up, and raise efficiency, and combine reform with opening up, reform with readjustment, and reform with transformation. In practice, we should have courage to undertake difficult tasks, to examine difficult points, and to carry out major work. Continued efforts should be made to grasp the work of ending deficits and increasing profits. We should thoroughly readjust or transform some enterprises that have incurred deficits for a long time or that do not have development projects to enable them to transfer into other lines of production or to develop by doing business with other trades. It is better to take the risks of failure than not to take action at all. We should strive to cultivate a new economic growth point, make special efforts to accelerate the openness and development of coastal areas, accelerate the pace of using foreign capital, and actively develop the tertiary industry.

He said: We should exert strenuous efforts to build key projects and guarantee the completion of projects that should be completed within the year and the progress of those projects which will be completed next year. It is necessary to try by all possible means to raise funds and to put the state-arranged funds in place in a timely manner.



We should strive to tap the potential of funds, raise the efficiency of using funds, spend money where needed, and guarantee the building of key projects and the normal functioning of the whole economy.

He said: It is necessary to further raise the people's living standard, accelerate the renovation of single-story houses, do 20 practical things, strengthen the management of commodity prices, strive to control price hikes, continue to keep the municipality's commodity prices lower than the average level of the country's 35 large and medium-sized cities, and guarantee that the increase in the average per-capita income of workers across the municipality will be greater than the increase of commodity prices.

Zhang Lichang stressed: To carry out economic work successfully, we must give full play to our political advantages and stress conscientiousness, dedication, and unity. We must engage in arduous struggle, oppose corruption, and promote honesty. Ideological and political work is our heritage and the important precondition for guaranteeing the smooth progress of reform and opening up. The masses have tremendous enthusiasm in building socialism. We should fully mobilize and display the enthusiasm of the broad masses of people through our in-depth and meticulous ideological and political work. Leading cadres at all levels should play an exemplary role, have a good mental attitude, meet high standards in their work, and set strict demands on themselves. We should carry out the work assigned to us quantitatively and meticulously and grasp our work firmly and realistically. We should inspire the masses through our effective work, overcome all sorts of difficulties with the people across the municipality with full confidence, and consolidate and develop the excellent situation in the municipality.

Municipal leading Comrades Zhang Haosheng, Wang Dehui, Zhu Liankang, and Zhang Guangwen attended the meeting to sum up and analyze the economy.

### Northeast Region

#### Heilongjiang Secretary Addresses CPC Meeting

SK1509130093 Harbin HEILONGJIANG RIBAO in Chinese 4 Sep 93 pp 1, 3

["Excerpts" of speech by Sun Weiben, secretary of the Heilongjiang Provincial CPC Committee, at the enlarged standing committee meeting of the provincial CPC committee on 3 September: "Comprehensively Implement the Party's Basic Line To Promote a Faster and Better Economic Development in the Province"]

[Text] Since June this year, in line with the principle of attending to two tasks simultaneously and being competent in both, the central authorities have made a series of important decisions on economic and social development and issued a document on strengthening macroeconomic regulation and control. Comrade Jiang Zemin has called east China, northwest China, north China, and northeast China economic work forums to put forward many important guiding opinions on the current economic work. The

second plenary session of the Central Discipline Inspection Commission and the national organization work forum have been held to make clear arrangements for launching an in-depth anticorruption struggle and improving the ideological level and work styles of leading bodies. The series of central decisions have been very correct and necessary.

The purpose of implementing the central authorities' series of important arrangements is to adhere comprehensively to the party's basic line and promote faster and better economic development in the province. Therefore, we should persistently take economic construction as the central task without wavering, embody the mandatory principle of development in all work, focus on and serve economic construction, and pool the efforts of all fields to promote the economy with single-hearted devotion. We should adhere to the ideological line of seeking truth from facts and proceeding from reality in everything we do. On the one hand, we should unswervingly implement central guidelines and resolutely rectify some overheated, chaotic, and indiscriminate phenomena, and on the other, persist in the basic criterion of the three advantages, and continuously implement the strategic ideas and policy measures for facilitating economic and social development. We should persistently use the idea of the socialist market economy to solve the problems in development. Our rectifying measures, adjustment of relevant policies, and work arrangements should all help resolve the contradictions in systems and structures and help establish the socialist market economy system. We should persistently attend to two tasks simultaneously and be competent in both. The more we conduct reform and opening up and develop the economy, the more we should strengthen party building and work in the ideological and political field. In line with the principle of the four requirements on the contingent of cadres and demand for economic construction, we should conscientiously step up efforts to improve the ideological level and work styles of leading bodies at all levels. We should also strengthen ideology, theory, professional ethics, and social morality in line with the demand for establishing healthy, progressive, civilized, and open social practice. We should unswervingly launch the anti-corruption struggle, gain a clear understanding of the importance and urgency of the current anticorruption work, attach great importance to improving party style and building a clean government, step up investigations and handling of major and serious cases, and strive to explore a new way to punish corruption through reform and establishment of necessary systems. We should follow central arrangements and the above-mentioned principles to carry out three major tasks conscientiously and effectively.

1. We should continue to thoroughly implement the guidelines of the central document on strengthening macroeconomic regulation and control.

After the central authorities made the decision on strengthening macroeconomic regulation and control, the provincial party committee and government have immediately held standing committee meetings and governor's office

meetings to relay and implement the decision and adopted a series of measures to address the conspicuous contradictions and problems in the operation of the economy.

In Heilongjiang's economy, however, there are indeed special phenomena that are different from the ordinary conditions of other areas of the country. Due to the many technical transformation projects that defaulted, enterprises' ability for renovation has declined, and 52 percent of the equipment of large and medium-sized enterprises is in extended service. We lack key high-technology projects that can play a great leading role in promoting the economy. Basic industries account for too large a proportion in the province, and the mining industry, which accounts for 33 percent of the province's industry, has experienced a zero growth rate or a minus growth rate due to a reduction of resources. The underdeveloped intensive processing industry and the large proportion of primary products, as high as 52.1 percent, have resulted in a low rate of added value. Forty percent of the output value of large and medium-sized enterprises is created by the products produced under mandatory plans, and the overwhelming majority of these products are distributed at government prices. This has led to a great loss of efficiency. The small proportion, 28 percentage points lower than the national average, of the nonstate sectors of the economy make it difficult for these sectors to greatly promote industrial growth. We lack too many funds, our fixed asset investment has been lower than the national average for 10 years in succession, our proportion of industrial loans has declined in the country for three years in succession, our mining industry and grain production and business have tied up large amounts of funds, our fund circulating rate is about 100 days slower than the national average, and old enterprises have carried heavy burdens and experienced a decline in their own circulating funds.

These situations have seriously restricted the speed of the province's economic development. In the process of strengthening macroeconomic regulation and control, fund shortages of enterprises have been aggravated, which will probably make more enterprises reduce or halt their production; and it has been difficult to put state funds and the matching funds into place, which will probably lengthen the construction period of some key capital construction projects and some equipment renewal and technological transformation projects, and then affect the momentum for further economic development. Along with the control over the scale of investment in machinery and electronics industry, building materials industry, metallurgical industry, and forest industry, which were just beefed up after being promoted by the national investment, the products market and price decreases will probably slump again. There has been a very serious shortage of the funds for procuring agricultural and sideline products. Using existing funds to ensure agriculture will certainly aggravate the shortage of the funds used to ensure industry. This will not only make it difficult to fulfill this year's increase rate of industry but also affect the fulfillment of the next year's. For this reason, we must keep sober-minded, enhance our morale, seek unity of thought, work hard quietly, and try

every possible means to solve problems and overcome difficulties in order to effect a rapid and sound development in the economy.

Basically speaking, the current contradictions and problems stem from the failure in eliminating the defects of original systems, from the failure in completely forming the socialist market economic system, and from the failure in bringing all sorts of economic relations into better balance. Therefore, to solve contradictions, overcome difficulties, and extricate ourselves from difficult situation, there is no way to seek if we follow the traditional systems. We must seek the way out by accelerating the change from old systems to new ones, and by using new ideas and new methods of deepening the reform to solve the conspicuous contradictions and problems in economic life. On the prerequisite of subjecting ourselves to the overall situation and conscientiously implementing the policy decisions of the central authorities, we should regard the work of stabilizing the economy and promoting the rapid and sound development of the economy as the major task for the province's macroeconomic regulation and control during the foreseeable future.

First, we should continue to strengthen the macroeconomic regulation and control. Implementing the various measures on strengthening macroeconomic regulation and control adopted by the CPC Central Committee and the State Council remains the focus of our economic work. All cities and prefectures as well as all departments must implement to the letter the measures on straightening out the bank order and the real estate market adopted by the CPC Central Committee, the State Council, the provincial party committee, and the provincial government. Various kinds of contradictions and problems in the province's economic life can be concentratively manifested as fund shortages, which have made it difficult to normally operate the social production and made it impossible to build key construction projects smoothly, thus increasingly worsening the restriction on the entire economy. For this reason, in the process of strengthening the macroeconomic regulation and control, party committees and governments at all levels should attach importance to the financial work, and all departments concerned and all banks should closely cooperate with one another and try every possible means to expand the source of new funds and enliven the use of existing funds. We should vigorously promote marketing and clear up debts and apply economic and legal means to clear up the increasingly serious cross-defaults of enterprises and gradually withdraw debts. We should resolutely carry out the policy of supporting the superior and restricting the inferior, conscientiously attend to the work of halting deficits and increasing profits, and be determined to curb the funds tied up by finished products, by goods shipped in transit, and by receivable and advanced payment for goods in order to accelerate the turnover of funds. We should improve the service to savings deposits of urban and rural residents, increase the variety of savings deposits of residents, stabilize the savings deposits of enterprises, and increase the source of credit funds to the maximum. All departments concerned should reflect the province's situation to higher levels as they really are and

positively gain the credit support. We should vigorously increase revenues and reduce expenditures and strictly control the increase in the administrative operating expenses and in the purchases of social institutions. Within this year, party and government organs at all levels must all stop buying cars and high-grade office appliances, stop sending persons abroad for observation, and strictly control the additional administrative and operating expenses. We should continue to improve investment environment, strengthen the work of absorbing foreign investment, expand the export channels for the province's products, and absorb funds from various parts of the world.

Second, we should strengthen the extent of transforming the enterprise managerial mechanisms and continue to promote the change of the property rights of state-owned large and medium-sized enterprises and to conduct technological transformation among these enterprises. Restricted by the old systems, with excessively heavier burdens, and under the strained economic circumstances, the state-owned large and medium-sized enterprises, which support the economy of the province, are confronted with a grimmer situation. Therefore, enlivening the state-owned large and medium-sized enterprises has become the most urgent, prominent, and arduous task. To restore the prestige of key large and medium-sized enterprises in the market competition, we should attend to the following few tasks. First, we should speed up the pace of transforming the enterprise managerial mechanisms and simultaneously change the government functions. We should continue to comprehensively inspect the implementation of the "enterprise law," the "regulations," and the "provincial detailed rules" for implementing the enterprise law and the regulations; timely solve the difficulties and problems affecting the change of the enterprise managerial mechanism; strictly handle the activities of obstructing the implementation of the enterprise decision-making power, wantonly collecting charges, wantonly apportioning expenses, and wantonly imposing fines; and ensure the implementation of the province's nine targets for changing the enterprise managerial mechanisms. We should give different instructions to different enterprises in changing their managerial mechanisms. The enterprises of different localities, different types, and different scales should respectively reform their managerial mechanisms according to such different forms as contracted management of fixed assets, separating profits from taxes, having no administrative subordinate units, reforming the company system, and contract for input and output. According to the principle of separating government functions from enterprise management, we should realistically change the government functions and standardize government behavior. In comparison with the "regulations" and the "detailed rules," the provincial-level organs should first sort out their functions that directly intervene in the enterprise production and management, readjust the overlapping administration and the additional burdens on enterprises, cancel the policies and regulations that are not

conducive to the implementation of the enterprise decision-making powers, improve the procedures for examining and approving the enterprise managerial activities, upgrade the quality of serving the enterprises, and make new progress in balancing the relationship between governments and enterprises. Second, we should bring in more foreign capital to conduct "grafting" transformation, coordinate the reform of the property rights with the enterprise technological transformation, and ensure that reform and transformation are promoted at the same pace. Practice shows that the state-owned large and medium-sized enterprises have made noticeable achievements in using foreign capital, technology, equipment, and managerial mechanisms to conduct "grafting" transformation. Thus, we should further emancipate the mind, vigorously conduct the "grafting" transformation among the state-owned large and medium-sized enterprises, and strive to fulfill the task of conducting "grafting" transformation among 100 large and medium-sized enterprises within the year." We should carry out the encouragement policy measures for "grafting" transformation and be willing to encourage the enterprises with higher efficiency and good prospects for development to conduct "grafting" transformation with imported capital. We should handle affairs according to the international practice. We should have the old enterprises' tertiary industries and surplus personnel be independent from the enterprises, and not force the enterprises that conduct "grafting" transformation to support society. We should relax the conditions for "grafting" transformation. Enterprises are allowed to conduct "grafting" transformation with imported capital, technology, and equipment or with any one of them. Enterprises can conduct "grafting" transformation either partially or completely. Enterprises are allowed to conduct "grafting" transformation either with a foreign firm or with several foreign firms. Foreign firms are allowed to provide capital, technology, and equipment to transform either an enterprise or a trade as a whole. Thus, by so doing will we be able to realize the internal coordination between reform and opening up, organically combine the reform of the property right system with the technological transformation, simultaneously promote the reform of mechanisms with transnational management, rapidly form a group of technologically advanced and powerful key enterprises, promote the cooperation with a group of small and medium-sized enterprises, and form new economic advantages.

Third, we should proceed from improving the property right relations and take active and reliable steps to promote the experiment of the shareholding system in selected units. Based on the contract system, we should try the shareholding system in some large and medium-sized enterprises in a planned manner, clearly define the property right relations, reshape the enterprise organizational pattern and change the operational mechanism of enterprises. Only by so doing can we be able to fundamentally boost the enthusiasm of the enterprise managers and producers. In order to accelerate the pace of experimenting the shareholding system in large and medium-sized enterprises, we may think of establishing and developing the "workers cooperative funds," amass the scattered funds of



enterprise workers as the shares of legal persons and invest them in shareholding enterprises; actively develop companies to raise funds for a certain purpose, extensively absorb funds from the enterprise legal persons and shares from internal workers, and use them for production in enterprises with favorable conditions; select some enterprises and make them set aside a certain number of state-owned assets for sale in the form of shares to legal persons in society and to natural legal persons and absorb funds for technological transformation. Fourth, we should strengthen management over state-owned assets and realistically enable the state-owned assets to guarantee or increase their value. Large and medium-sized state-owned enterprises are the precious wealth of the country. Our methods of grafting and transforming enterprises, trying out the shareholding system and implementing amalgamation and bankruptcy are aimed at supporting the development of large and medium-sized enterprises and enable state-owned assets to increase value unceasingly. For this reason, in the process of successfully running state-owned large and medium-sized enterprises, we must strengthen the assessment of investments in the fixed assets of state-owned enterprises, strictly implement the state-owned asset statistical report system, do a good job in the property rights registration, and realistically prevent the loss of state-owned assets; cultivate and standardize some property right markets in line with the demand of turning enterprises into enterprise groups or companies, promote the rational flow of enterprise property rights, and promote the effective use of idle equipment; strengthen the assessment of the targets for guaranteeing and increasing the value of state-owned assets contracted to enterprises, study the management and operational forms of state-owned assets under the market economic conditions, and attend to the state-owned assets operated in the form of shares controlled by the state and the purchase of shares. Fifth, we should strengthen enterprise management and strive to raise the labor productivity. The technological and management levels of our province's state-owned enterprises are not high which are the main reasons for enterprises' lack of market competitiveness and poor efficiency. Therefore, raising scientific management level should be the important guiding ideology of invigorating our large and medium-sized enterprises. Under the strained financial situation, in particular, we should all the more keep our eyes inward, base ourselves on tapping potential and carrying out transformation, and seek efficiency through management. While further improving the responsibility system of entering a higher grade and attaining a certain targets, state-owned large and medium-sized enterprises should actively draw the enterprise management experiences of developed countries, and realistically attend to technology, quality, operation, marketing, and management and gradually organize the production and operation of enterprises in line with the demand of the socialist large-scale production and international practices; resolutely implement the principle of restricting the production of products in excessive supply and stockpiled goods and promoting sales, strengthen market forecast and development, strive to produce what are necessary on the markets and in line with market demands, resolutely stop

the production of enterprises whose products are stockpiled, organize the production of products whose sales are average in line with the marketing needs and strive to think of ways and means to expand the production capacity of marketable products; take active and reliable steps to promote reform of the three systems, strive to raise the technical and cultural levels of enterprise workers, and realistically attend to the training of management personnel to raise their managerial level, on-job training for technical workers to raise their technical level, and pre-job training for new workers so as to comprehensively raise the quality of enterprises.

Third, we should relax control over state-owned small enterprises by turning them more quickly into ones run by the people while remaining state-owned or becoming nongovernment-owned. Small industrial enterprises constitute a part with the smallest amount of vigor and slowest development in the economy of the province. They lack not only the flexible mechanisms of township enterprises or individual and private enterprises but also the advantages of large and medium-sized enterprises in personnel, technology, equipment, and scale, thus holding a very disadvantageous position in the intense competition of the market. All prefectures and cities should pay attention to and conscientiously carry out this work and adopt various effective methods based on specific local conditions to accelerate and promote the reform to turn small enterprises into ones run by the people while either remaining state-owned or becoming nongovernment-owned. We may separate the ultimate ownership of the state from the legal person ownership of enterprises to make nongovernmental enterprises enjoy the power to control and dispose of enterprises' property and also take the responsibility and risks for losses of the property. We may transform the mechanism to turn the state-owned enterprises into ones which are owned and managed by collectives and which adopt the systems similar to those of township enterprises. State-owned enterprises may be sold to become individual or private enterprises. We may also adopt various systems in one enterprises, allowing its branch plants or workshops to institute different ownership. Regarding state-owned small enterprises, we should particularly attach importance to the reform of the industrial enterprises run by counties and provide policy, credit, and material support to the key enterprises which have a share in the market and better efficiency. We should encourage these county-run enterprises to join large enterprises or enterprise conglomerates by purchasing their shares.

Fourth, we should accelerate the development of the tertiary industry to facilitate the adjustment of the industrial structure. In line with the requirements on the development of the primary and secondary industries, Heilongjiang has great potential for the development of the tertiary industry. The economic development of some cities and prefectures since the beginning of this year has shown that the taxes from the tertiary industry have become a fairly stable financial resource in the condition that the economic efficiency of industry is poor, and that the consumer market that has developed from sluggish to brisk sales has also provided fairly favorable conditions for



the development of the tertiary industry. We should pool state, collective, individual, and foreign funds and mobilize forces from all quarters of society to greatly develop the tertiary industry and allow those who make investment to possess ownership and gain benefits. In line with the requirement for socializing service facilities, we should encourage enterprises of various types to establish economic entities engaged in the service trades, support those with favorable conditions to sever ties with the service trades they have developed, and allow offices and institutions to use their existing service facilities to develop paid service or business.

Fifth, we should have the courage to greatly develop township enterprises and the individual, private, and foreign-funded economies to facilitate the accelerated growth of the nonstate economy. Thanks to the progress in the transition toward the socialist market economy since the beginning of this year, the nonstate economy has developed more rapidly in the province and played an increasingly greater role in promoting the entire economy. In addition, influenced very little by the strained macroeconomic environment, the nonstate economy has great vitality for survival and development. To Heilongjiang, a province where the state sector of the economy accounts for a large proportion, the accelerated development of the nonstate sector of the economy will play a very notable role in improving the economic structure and promoting economic development. Therefore, we should have the courage to provide necessary support to the nonstate economy and allow it to develop as fast as possible. We should conscientiously implement a series of measures for developing town and township enterprises as set forth by the provincial party committee and the provincial government; prominently attend to the construction of small industrial zones of town and township enterprises; carry out, on a large scale, the shareholding cooperation system among town and township enterprises; extensively coordinate urban areas with rural areas; appropriately relax the restrictions of the measures for granting loans; ensure the allocation of the funds for supporting town and township enterprises; and guarantee a sustained and high-speed development of town and township enterprises. We should further readjust the policies toward the private and individual sectors of the economy and create good external conditions for developing the private and individual sectors of the economy.

Sixth, we should maintain the sound development of agricultural production and lay a firm foundation for stabilizing the economy. Maintaining the stability of agriculture and even the overall rural economy under the strained industrial production circumstances is of vital importance to stabilizing the economy of the province. We should conscientiously attend to autumn harvests, combat disasters to reap bumper harvests, make good preparations for the agricultural production in 1994, and ensure to produce more than 40 billion jin of grain in 1993. We should solve and avoid the "IOU" problems. The governments at various levels should set up the system of responsibility for collecting funds from various fronts. Various banks and financial departments must go all out to ensure

the allocation of the funds for purchasing farm and sideline products. No units or individuals are allowed to invent any excuse to violate the regulations on special management of farm and sideline product purchasing funds. Those who divert funds to other purpose should sternly be punished. It is necessary to consolidate the achievements in reducing the peasants' burdens and to strictly implement the central authorities' announcements on collecting funds. We should continue to sort out and examine the provincial-level documents and projects, prohibit the unlawful apportioning of expenses, and cancel the items on collection of charges that should be canceled. The burdens that have been reduced must not rise again. Withholdings, unified collection of funds, and excessively more charges are indicators for the peasants' heavier burdens. The rapid increase in agricultural capital goods is the major factor for increasing the peasants' burdens. The peasants have great complaints of this. It is necessary to strictly implement the regulations on fixing ceiling prices for agricultural capital goods. We should also comprehensively sort out the activities of exceeding the ceiling prices just as what we do to clean up the wanton collection of charges, return to the peasants the money that they must not pay, and realistically protect their interests. We should really implement the party Central Committee and the State Council's policy measures for strengthening agriculture's role as the foundation of the national economy to the letter.

## 2. We should unswervingly wage the struggle against corruption

Opposing corruption at the time of developing the economy is an essential requirement for comprehensively implementing the basic line of the party. The second plenary session of the Central Discipline Inspection Commission that concluded not long ago is a meeting that produces a great impact and is of great significance to the construction of party style. The central decision on deeply waging the struggle against corruption enjoys the great support of the party and the people. Comrade Jiang Zemin's speech brilliantly expounds the situation ahead of us in waging the anticorruption struggle and clearly sets forth the countermeasures, principles, and major tasks for opposing corruption. In line with the requirements of the central authorities, we should realistically and firmly attend to the major political task of waging the anticorruption struggle and be determined to make noticeable achievements in the foreseeable future.

First, we should deeply understand the importance and urgency of the anticorruption struggle. Comrade Jiang Zemin's judgment of the anticorruption struggle situation totally conforms to the province's reality. Over the past years, the party committees and the governments at various levels have done much work to strengthen party style and administrative honesty and have made some achievements. The mainstream of the party is good. The majority of party members and cadres are honest in performing their duties.

However, negative and corrupt phenomena have not been checked effectively. In some aspects, these phenomena

have been very serious and have even developed and spread. The sphere involved by negative and corrupt phenomena has been expanded, the cases of abusing one's powers to seek personal gain, money-power dealing, and violating economic discipline and laws have increased in number; the value of money in violation of discipline and law has increased by a large margin; the problems of real power departments, law-enforcing organs, and leading cadres are relatively conspicuous; the demanding and giving of bribes have developed from a covert practice to an overt practice of abusing powers to extort money; and some unhealthy trends have become increasingly serious. Such phenomena have aroused bitter complaints from the masses. If we refuse to adopt resolute measures to solve these phenomena, they will not only harm the images of the party and the government and seriously interfere with the smooth progress of reform, opening up, and economic construction, but will also ruin our party, our people's political power, and our socialist modernization drive. Therefore, we must be alert, profoundly understand the seriousness and harmfulness of corrupt phenomena, and profoundly understand the importance and urgency of punishing the corrupt. In line with the realities of work and ideology, party and government leading cadres at all levels should again study the series of important expositions on opposing corruption made by Comrade Deng Xiaoping, profoundly study Comrade Jiang Zemin's important speeches in order to seek unity of thoughts and enhance understanding. It must be defined that negative and corrupt phenomena are impossible to be eliminated naturally, but, they are not too serious to be eliminated. So long as we have a firm confidence, sincerely make up our minds, strictly enforce laws and disciplines, and depend on reform, system construction, and the people's support, we are certainly able to achieve remarkable results in the anticorruption struggle. It must be defined that only by firmly opposing corruption can we ensure the sound progress of reform, opening up, and economic construction. Therefore, we should always persist in the principle of grasping the work with two hands and attain the goal of being steadfast and unswerving in carrying out reform, opening up, and the economy as well as in straightening out party style and punishing the corrupt. It must be defined that letting negative and corrupt phenomena drift, being indulgent towards corrupt phenomena, and shielding and winking at corrupt phenomena mean committing crimes to the party and the people. Leading cadres at all levels should not only show honesty and self-discipline, but also be brave in waging a resolute struggle against negative and corrupt phenomena. Only by doing so can we consciously implement the guidelines of the central documents and gain the initiative in the anticorruption struggle.

Second, we should give prominence to grasping the emphases of the anticorruption work in the near future. In line with the demands of the central authorities, by the end of this year, the province's anticorruption struggle must attain the following goals: Leading cadres at or above the county level make a remarkable progress in showing honesty and self-discipline and truly set an example for the

vast numbers of party members and cadres; the unhealthy trends bitterly complained by the masses are checked effectively, and the images of party and government organs, law-enforcing organs, and real power departments improve obviously; and a large number of major and appalling cases are investigated and concluded, a group of corrupt elements are punished according to law, and the people's confidence in punishing the corrupt is enhanced. To this end, we should make breakthroughs in the following three aspects: First, party and government leading cadres should take the lead in showing honesty and self-discipline. From now to the end of October, beginning with the standing committee of the provincial party committee, leading cadres at or above the county and section levels should take the lead in examining and correcting the problems of themselves and of their own collectives. Those party and government organs that do business and run enterprises should go through the formalities of separating enterprises from organs. All party and government leading cadres that hold concurrent jobs at various kinds of economic entities should complete the formalities of resigning one of their jobs. Towards the party and government leading cadres that must hold concurrent jobs at economic entities as demanded by work, examination and approval must be made in strict accordance with the powers and procedures on management of cadres. Party and government cadres are prohibited from holding lavish weddings and funerals and taking money as gifts. They are prohibited from taking unreasonable bonuses or money on various excuses. They should turn over to higher authorities all the money and marketable stocks they have accepted as gifts during official activities. Otherwise, they will be regarded as taking illegal benefits and punished accordingly. They should repay all the public funds they have used in the recreational activities of high consumption level. In line with the requirement of the central authorities for combining discipline inspection with the evaluation and use of cadres, the organization departments and discipline inspection commissions of the party committees at and above the county level should appraise, in a planned manner and according to established priorities and purposes, the diligence and honesty of the leading cadres under the administration of the party committees at the same level by the end of this year to understand particularly how they remain clean and honest in performing official duties. Party committees at all levels should formulate and improve the regulations on the honesty and self-discipline of party and government leading cadres and strictly enforce these regulations. Second, we should concentrate efforts to investigate and handle a number of major and serious cases. We should particularly investigate and handle the law and discipline breaches committed by leading organs, leading cadres, justice, law-enforcing administrative, and economic administrative departments, and their personnel, such as embezzlement and bribe-taking, perversion of justice for bribes, and smuggling and trafficking of smuggled goods. This year, we should achieve breakthroughs in handling the major typical cases involving leading cadres and handle them publicly. Third, we should resolutely check the unhealthy trends that dissatisfy the masses the most. In

launching the anticorruption struggle, we should both handle major and serious cases and make great efforts to solve the conspicuous problems of our own localities, departments, and units and to conscientiously correct the unhealthy trends in some trades. We should resolutely check the unwarranted fees collected by party and government organs and their subordinate units by abusing their power. Provincial departments should examine the unwarranted fees they have collected and correct this practice immediately. We should resolutely check the unhealthy trend of conducting tours abroad with public funds. We should conscientiously examine the travels abroad (outside the border) conducted in the past two years and strictly deal with, according to relevant policies, the personnel who have conducted tours abroad in violation of regulations, with the funds they collected arbitrarily, and in the name of investigation. We should resolutely check the extortion and arbitrary collection of money by railway, power, post and telecommunications, monetary, public security, industrial and commercial, tax, commodity inspection, quarantine, and urban construction trades and departments which abuse power to do this. Proceeding from reality, all localities and departments should take the initiative in addressing the problems about which grassroots levels, enterprises, and the people have many complaints; launch special projects to solve them one by one; and strive to achieve notable results by the end of this year. Meanwhile, we also should strengthen supervision and inspection of the implementation of the central document on strengthening macroeconomic regulation and control, resolutely investigate and handle serious violation of the principle of democratic centralism and defiance of organization and discipline, such as refusal to carry out orders and prohibitions, and ensure the smooth implementation of central decrees.

Third, we should strive to explore a new way to punish corruption through reform and establishment of necessary systems. We should rely on reform and establishment of necessary systems to fundamentally prevent and punish corruption. We have adopted a series of effective measures in this aspect. For instance, we have adopted the method of public bidding to prevent abuse of power and extortion in real estate development, contracting of construction, opening of bus lines, and leasing of market stands; we have adopted the system of handling public affairs in a public manner, made work results public, relied on the supervision by the masses, and held on-the-spot meetings to prevent abuse of power for selfish gains in employment, job assignments of college graduates, allocation of money and materials, handling of licenses, certificates, and domiciles; we have adopted the cadre exchange system, nepotism-preventing system, and the system of rotation in assuming key posts to prevent favoritism and nepotism in the use of cadres; and we have evaluated the honesty of cadres, made leading members handle the problems exposed in the letters and visits of the masses, established crime-reporting mailboxes, and made cadres go to grassroots levels to receive the masses to understand and discover the clues of corrupt cases from the masses. We should continue to uphold these good methods and

improve them during our actual performance. Meanwhile, we should deeply study the reasons for the occurrence and development of the corrupt phenomena from such aspects as the set-ups, systems, policies, and management; formulate laws, regulations, and systems favorable for developing the socialist market economy and keeping the party and government organs clean and honest in the light of the common issues emerged in reform and opening up and the new characteristics of the corrupt phenomena. For example, we should pay attention to improving the supervision system, perfect the mechanism of supervision and restraint, further clearly define and strengthen the supervision functions of discipline inspection and of the supervision and auditing departments, and give them necessary forceful powers in handling cases; study methods for supervising and controlling the property of leading cadres at all levels and functionaries of departments holding actual powers in the light of the characteristics of having difficulties in investigating and verifying the concealed means of abusing power to extort money from enterprises and engaging in corruption and bribery, and regard the income without a legal source as illegal gains and the basis for giving punishment in line with party discipline, administrative discipline, and other laws and discipline; strengthen coordination and supervision in the process of handling major and appalling cases in an effort to solve the problems of "being soft and lenient" in observing discipline, and establish inspection and supervision systems in investigating and handling cases; and continue to improve the system of "making the work procedures and results of government organs public and placing their work under mass supervision," and gradually standardize this system in departments.

Fourth, we should further implement the system of assuming responsibility for the anticorruption struggle. The key to soundly and deeply carrying out the anticorruption struggle and achieving noticeable results within the year lies in strengthening leadership and forming a work attitude of having the whole party participate in the work, pooling the efforts of the party and the government, managing it with joint efforts and comprehensively improving public security. Party committees and governments at all levels and the leading party groups and party committees of various provincial-level departments should establish and improve the anticorruption responsibility system, regularly study the anticorruption work strictly in accordance with the central plans and the demands of the provincial party committee, promptly solve the new situation and new problems emerging in the process of fighting corruption, strengthen supervision and inspection over the building of party style and clean politics, and realistically organize their own localities and departments to combat corruption and check unhealthy tendencies. In order to strengthen leadership over the anticorruption struggle, principal leaders of party and government organs at all levels should realistically shoulder the principal leadership responsibility of the anticorruption struggle, and the party and government leading bodies should assume the responsibility for grasping the anticorruption struggle on the fronts under



their jurisdiction in accordance with the responsibility system of building clean politics. All functional departments should perform their own duties and responsibility under the unified leadership of the party committee and coordinate their efforts to form a joint force. In conducting the anticorruption struggle, we must firmly grasp the six principles set by the central authorities, act in close connection with the central task of economic construction, conduct the struggle on the basis of implementing the major reform measures and economic policy decisions, and serve reform, opening up and economic construction; pinpoint the work priorities of the anticorruption struggle, concentrate efforts on investigating and handling all sorts of corrupt phenomena among party and government leading cadres and in judicial and law-enforcing administrative and economic supervision departments, and achieve breakthroughs in these departments first in an effort to bring along the deepening of anticorruption struggle in the whole province; closely rely on the masses of people, pay attention to the people's letters and visits, encourage them to report corrupt practices, and lead the masses of people to resolutely struggle against corrupt phenomena; give simultaneous attention to fighting corruption and promoting justice and, in addition to resolutely investigating and handling corrupt elements, actively commend advanced models who perform their official duties honestly; and correctly distinguish between contradictions of two different natures, persist using facts and taking law as the criterion, handle cases strictly in line with law, never conduct mass movements or let everybody pass, and strictly grasp policies. Discipline inspection and supervision organs at all levels should assume major responsibilities during the anticorruption struggle. Party committees and governments at all levels should support their work, protect their working enthusiasm, realistically solve their practical problems, and give full play to their important role during the anticorruption struggle.

3. We should strengthen the building of the style of thinking among leading bodies.

To comprehensively and correctly implement the party's basic line, to fulfill the task of strengthening the macroeconomic regulation and control and punishing the corrupt, and to promote the sound development of the province's economy and society, the key lies in strengthening and improving party building and in upholding and improving party leadership. To strengthen party building, we should first build all levels of leading bodies well. We must fully understand the importance and urgency of strengthening the building of the style of thinking among leading bodies. With Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the guidance, beginning with the effort of solving the problems existing in the style of thinking of leading bodies, we should build all levels of leading bodies into strong collectives that are highly identical in ideology and politics, are highly unified in organization and action, are steadfast in politics, are brave in carrying out reform and blazing new trails, are united and coordinated with each other, are honest and diligent in performing official duties, and comprehensively implement the party's basic line. So, leading bodies at all

levels will be able to better display their role as the core of leadership in carrying out reform and construction.

First, we should conscientiously study the theory of building socialism with Chinese characteristics and enhance our consciousness in comprehensively and correctly implementing the party's basic line. Conscientiously studying, comprehensively understanding, and correctly applying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics is the cardinal task of building the style of thinking of leading bodies at all levels. Along with the constant deepening of reform and opening up, particularly with the acceleration of the establishment of the socialist market economic system, many new circumstances and problems have occurred in economic, political, ideological, and cultural spheres, and many changes have taken place in the leadership environment, policymaking conditions, and work foundation, and some deep-rooted contradictions have become conspicuous. Under such a complicated circumstance, we are all the more required to arm our minds with the theory of building socialism with Chinese characteristics while straightening out the train of thought, dealing with contradictions, and controlling the overall situation. Therefore, all levels of leading bodies and leading cadres must be more conscious in studying the theory. We should pay attention to overcoming the tendencies of replacing study with work and being satisfied with a smattering of a subject. We should exert ourselves in systematically and profoundly studying the theory. Through study, we should further define that developing the economy is the central task of the party for a long time, and all our work should be closely centered on economic construction and be conducive to promoting economic development. We should also define that in building socialism with Chinese characteristics, we must firmly build both material and spiral civilizations so that we can justly and forcefully solve the noneconomic problems that hamper economic development. In particular, we should boldly punish the corrupt. It should be defined that establishing the socialist market economic system means organically combining the superiority of the market-distributed natural resources with the superiority of the socialist public ownership, yielding even greater results in liberating and developing productive forces, and then even more actively studying, researching, and mastering the basic knowledge concerning market economy and modern science and technology in order to make policymaking not only accord with the general law of the market economy but also accord with the essential demands of socialism. It should also be defined that the essential demands of socialism are developing productive forces, avoiding polarization, achieving common wealth finally, even more consciously implementing the party's aim, regarding the representing and safeguarding of the cardinal interests of the broadest possible masses as the basic orientation of policymaking, and maintaining and carrying forward the fine tradition and work style of maintaining close ties with the masses. We should make it clear that the difficulties and problems we face are ones emerging during the transition of systems and that we should resolve them by deepening reform and then more



successfully adhere to the basic criterion of three advantages and firmly promote our reform in various fields. Our study should be conducted on a regular basis and become a system. We should continue to implement and improve the systems whereby leading cadres are subject to training or to be transferred for training purpose. The focus is on the training of the cadres at the prefectural and departmental level, cadres at the level of deputy head of departments who are new members of leading bodies, and county party secretaries and county heads; and these cadres should not be older than 45. We should continue to uphold the central group study system. Major leading comrades of party committees at all levels should set an example in the study and lead the study of the members of leading bodies. The study of theories and the results in using the theories to guide practice should be taken as important criteria for appraising cadres and important conditions for promoting them.

Second, we should adhere to and improve the system of democratic centralism and achieve a high degree of unity in organization and action. Democratic centralism is the fundamental organizational system of our party. To adhere to this system, we should overcome the trends of liberalism, decentralism, and anarchism. Based on the reality in Heilongjiang's leading bodies, we should pay attention to four issues. First, we should abide by political discipline and safeguard the unity of government decrees. In the condition of strengthening macroeconomic regulation and control, in particular, we should always pay attention to intensifying leading cadres' education on discipline and enhance their sense of organization and discipline so that they will properly handle the relationship between central and local interests, between the whole and the part, and between immediate and long-term interests; will take the initiative in safeguarding the overall interests of the party and state, the unity and solidarity of the party, and the prestige of the party Central Committee, the State Council, and the party committees and governments at higher levels; and will ensure the smooth implementation of government decrees. Second, we should persist in the system under which collective leadership is combined with personal responsibility and develop the overall functions of leading bodies. Major responsible comrades of the party and government leading bodies at all levels should both persist in democracy and be good at centralism. Collective discussions should be held before making important policy decisions and steps should be unified in implementing the major policy decisions. Members of leading bodies should conscientiously carry out the work assigned them and safeguard and implement collective decisions on their own accord. Third, we should strengthen unity, help each other, and share burdens together. Unity, in the final analysis, is an issue on party spirit. In view of the very heavy tasks and many difficulties we are faced with, communists will lose their party spirit if they are engaged in liberalism, little tricks, conflicts, and exhaustion of energy within leading bodies. Communist Party members who truly have party spirit, stress the public interests, and have the sense of responsibility toward the work they are responsible for should take the initiative in resisting such acts and wage

resolute struggles against them. Leading cadres at all levels should attach more importance to the rise and fall of public causes than to personal gains and losses, unite and look ahead, and work with concerted efforts. They should be honest and aboveboard, think and act in one and the same way, be frank and earnest to each other, and support each other. They should have the courage and ability to resolve contradictions and work together to solve problems instead of blaming each other. We should establish a work trend in leading bodies where members are equal, work together, and follow the best choices; establish a good practice of honest performance of duties, consideration to the overall situation, and mutual assistance; and enhance the ability to absorb contradictions. Fourth, we should improve the specific regulations and systems for implementing the principle of democratic centralism. All localities have accumulated many good experiences in establishing necessary systems over the past few years. For example, democratic meetings have been held every six months to solve one or two major problems; party committees at higher levels have sent personnel to attend the democratic meetings held by lower-level bodies to give guidance and exercise supervision; and systems have been established for higher levels to hold talks with lower levels and for members of leading bodies to hold heart-to-heart talks. We have achieved fairly good results in these systems and should adhere to and improve them. In establishing systems, we should persistently proceed from reality, abolish or improve the methods and regulations incompatible with reality and the development of the situation, and study and explore in the process of practice those that are needed but have not yet established. We should strengthen the binding force of systems. Mutual supervision should be exercised between higher and lower levels and among leading cadres over the implementation of systems. Party committees at all levels, organization departments, and discipline inspection organs should strengthen inspection of leading bodies in their implementation of democratic centralism; strictly criticize and educate the leading bodies and leading cadres who have done a poor job in implementing democratic centralism; and even adopt organizational measures toward them or reshuffle them in a timely manner when necessary. As the city-level leading bodies have assumed office for nearly a year, all localities should extensively appraise party members, leading bodies, and leading cadres in a democratic manner late this year or early next year when their annual work is to be summarized.

Third, we should vigorously encourage the practice of investigation and study and establish a realistic work style.

Comrade Jiang Zemin recently called on the entire party to encourage vigorously the practice of investigation and study. This has an important immediate guiding significance in upgrading the party's leadership and governing level. We should note that, in the condition of developing the socialist market economy, factors for leading persons' policy making have become more complicated, various, and dynamic. To make policy making more scientific and to work creatively, we should go deep into grass-roots levels and the masses and regard it as the basic skills for

our leadership work to conduct investigation and study and to discover and solve problems in a timely manner. Based on the requirements of the central authorities, we should visit villages and households when in rural areas, visit workshops and work teams when in plants, and make contacts with teachers and students when at schools. By extensively giving heed to the opinions and voice of grass-roots organizations, workers, peasants, and intellectuals and comprehensively understanding and commanding the true situation, we should make our policies more compatible with the objective reality and the basic interests of the masses. We now face many difficulties and many problems to be resolved. In view of these difficulties and problems, we should maintain a vigorous spirit, carry forward the fine tradition of plain living and arduous struggle, greatly develop the realistic work style, renounce empty talk in favor of practical work, give more specific guidance instead of issuing principles and calls, and render more help instead of creating trouble. We should adhere to the work principle of carrying a task through to the end. Regarding the work that is beneficial to the country and

the people and worthy to be done, we should make decisions resolutely, have the courage to tackle difficulties and remove obstacles, and carry it through to the end. Regarding the 12 major tasks, we should continue efforts to implement them and strive to achieve good results. To cultivate a realistic work style, we should persist in using cadres based on their actual performance. When selecting and using cadres, we should persist in the criterion of having both political integrity and ability and stress actual performance. When judging cadres, we should see not only their party spirit, political awareness, and ideological and political quality but also the practical work they have accomplished and the realistic achievements they have made in implementing the party's basic line. We should not let those who are honest and willing to work suffer losses, still less let those who make false reports and engage in formalism gain benefits. Then, we should establish a situation where people seek truth from facts and make earnest efforts to do practical work throughout the province, especially in leading organs and among leading cadres.

### Taipei, Norway Sign Science, Technology Accord

OW2909091093 Taipei CNA in English 0748 GMT  
29 Sep 93

[By Chung Chin-lung and Danielle Yang]

[Text] Bonn, Sept. 28 (CNA) The Republic of China [ROC] and Norway signed a science and technology cooperation agreement Monday [27 September] in the Norway capital of Oslo.

National Science Council Vice Chairman Hsieh Ke-chang and director-general Svein Sundsbo of the Research Council of Norway signed the agreement on behalf of their respective governments.

Under the agreement, the ROC and Norway will cooperate to develop fishery resources, promote water-based power generation and conduct geological research.

Sundsbo said at the signing ceremony that both countries can benefit through closer cooperation. Hsieh added the agreement will be backed up by personnel exchanges and joint sponsorship of sci- tech seminars.

Hsu Chi-ming, representative of the Taipei Economic and Cultural Office in Oslo said his office would help promote substantial ties between the two countries.

### Ministry Reports Foreign Travel Visa Rules

OW2909091493 Taipei CNA in English 0752 GMT  
29 Sep 93

[By Lilian Wu]

[Text] Taipei, Sept. 29 (CNA)— Taiwan residents do not need a visa travel to 27 countries or regions, while another 26 countries or regions provide landing visas, according to the Ministry of Foreign Affairs.

Visa-free travel is afforded to Taiwan residents visiting Indonesia, Singapore, South Korea, Holland, Fiji, Saipan, the Bahamas and the Maldives, among others.

Landing visas for Taiwan residents are issued by Greece, Ecuador, Palau, Nepal, Vietnam, Turkey, Bahrain, the United Arab Emirates and Jordan, among others.

Countries and territories which issue multiple entry visas to Taiwan residents include Britain, France, Holland, Belgium, Luxembourg, Germany, Austria, Switzerland, Denmark, Sweden, Spain, Canada, the United States, Mexico, Dominica, Argentina, Haiti, Jamaica, Australia, New Zealand, Malaysia, Japan, India, Hong Kong and South Africa.

Some 52 countries have offices in Taiwan to handle visa applications, the ministry added.

### Editorial Discusses Reunification Efforts

OW2909105493 Taipei CHINA POST in English  
20 Sep 93 p 4

[Editorial: "Working Toward Reunification"]

[Text] The Mainland Affairs Council issued a statement last Thursday in response to the Chinese Communist regime's white paper on the so-called Taiwan issue. The council's statement, which reiterates Taipei's goal of reunifying China under democracy, freedom and equitable distribution of wealth, has effectively refuted Beijing's claim that its "one country, two systems" proposal is the right approach to national reunification.

One point stressed in the council's statement which is worthy of note is: "There is no such thing as the 'Taiwan question,' as the Communist white paper claims there is only the China question."

What is the China question? Since 1949 China has been divided because Marxist Communism was imposed on the Chinese mainland. Implementation of Communism has deprived the mainland Chinese of their personal freedom, stifled their creativity and initiative, and made it difficult if not impossible for them to choose the way of life they want. The real issue concerning China is how to enable the mainland people to live their lives with freedom, prosperity and dignity.

Beijing's "one country, two systems" scheme is actually an attempt to place Taiwan under Chinese Communist rule. Although, according to the scheme, Taiwan would be allowed to have autonomy and keep its present lifestyle, maintenance would remain under Communism. [sentence as published]

The scheme is unacceptable to the government and people of Taiwan for at least two reasons.

One is that, with the present economic and political conditions in Taiwan, most residents regard the area as a political entity equal in status to the mainland. They do not want to be ruled by the totalitarian Chinese Communist regime.

Another reason is that the residents of Taiwan believe their lifestyle, despite some flaws, is far superior to life under Communism and should be available to their mainland compatriots, too. The Chinese on the mainland, as well as those on Taiwan, should enjoy freedom, human rights and economic prosperity.

The government here is right to have consistently rejected the mainland regime's "one country, two systems" proposal. We believe, however, that it is necessary for the government to be more active and positive in its approach to the China question.

Beijing has issued its white paper on Taiwan mainly as a reaction to Taipei's drive to reenter the United Nations. The Communist rulers on the mainland are afraid that Taipei's re-entry into the U.N. could make Taiwan a separate country.

Some of the politicians on the island are indeed trying to make Taiwan an independent country and assume that U.N. membership would boost their cause.

The fact is, the vast majority of people here do not think that Taiwan should be an independent nation, even though they would hate to be ruled by the Communist regime.

The government should make it crystal clear while seeking U.N. membership that it is adhering to the one China stand and that its ultimate goal remains to reunify with the mainland. This will not only allay the mainland people's and some Taiwan residents' fears that the U.N.-membership drive is meant to pave the way for independence. It will also reduce resistance from Beijing, whose attitude cannot be disregarded in seeking a seat in the U.N.

In addition, the government should work harder to improve relations with the mainland to bring the goal of national reunification to reality.

Constructive, direct dialogue with Beijing is needed to settle the differences obstructing the progress of the reunification movement. So is a more liberal policy on exchanges between the two sides of the Taiwan Strait.

As long as both sides of the strait believe in reunification, work patiently toward its fulfillment, and regard each other with understanding and respect, the goal will be achieved in the end.

#### **Toy Makers Group Establishes Zone in Mainland**

*OW'2709075993 Taipei CNA in English 0738 GMT  
27 Sep 93*

[By Danielle Yang]

[Text] Taipei, Sept. 27 (CNA)—The Taiwan Toy Manufacturers Association will set up a special industrial zone in Mainland China, a spokesman for the association announced Monday [27 September].

The zone will be built in Yuyao City, Zhejiang Province, and aims to improve the competitive edge of Taiwan toys in the light of increasing competition from Southeast Asia and Mainland China.

Toys from both the Chinese mainland and Southeast Asia are cheaper due to lower labor wages and low land costs, the spokesperson said.

According to statistics from the industrial development bureau, Taiwan's toy exports grew a mere five percent in 1992 over the previous year, while toy imports grew 25.5 percent.

Rising imports and declining exports have led Taiwan's toy industry to set up the first specialized toy manufacturing zone in Mainland China exclusively for Taiwan traders.

The zone will produce and process toys for export to the 300 million strong Mainland China market and Japan, the spokesperson added.

#### **DPP Commemorates Seventh Anniversary**

*OW'2809101693 Taipei CNA in English 0754 GMT  
28 Sep 93*

[By Sofia Wu]

[Text] Taipei, Sept. 28 (CNA)—The Democratic Progressive Party (DPP), Taiwan's largest opposition party, celebrated its seventh anniversary Tuesday [28 September] with a series of festive activities.

DPP Chairman Hsu Hsin-liang, speaking during a reception at the party's new headquarters on Taipei's Nanking E. Road, said the party has come a long way to emerge as a major political force in Taiwan.

"I believe the DPP can become Taiwan's ruling party by the turn of the century," Hsu told a group of well-wishers.

The party is known to advocate Taiwan independence. However, Hsu said if the DPP took power, it would give priority to Taiwan's security and would not lightly declare Taiwan an independent nation.

The DPP now controls one-third of seats in the Legislative Yuan and seven city or county governments around the island. It intends to win more than half of the seats up for grabs in the Nov. 27 county chief and city mayoral elections.



## Hong Kong

### Editorial Discusses Clinton's UN Address

HK2909051193 Hong Kong SOUTH CHINA  
MORNING POST in English 29 Sep 93 p 18

[Text] U.S. President Bill Clinton's maiden address to the United Nations has put renewed pressure on the international community to accept American leadership in world affairs. From arms proliferation to UN peacekeeping operations and human rights, Mr Clinton set out his administration's agenda as the model for international relations in the coming year.

Although his aims are laudable enough, there will be many countries which will balk at the idea of having his policies thrust upon them in this way. The UN in particular is likely to find his strictures upon its new-found readiness to become embroiled in international peacekeeping operations galling. The United States has led the way in encouraging UN participation around the globe.

In Somalia, especially, the UN is often criticised for acting too much as a tool of US policy in hunting down the fugitive warlord Mohamed Farrah Aideed instead of concentrating on humanitarian aid and peace-broking. Mr Clinton's warning that "if the American people are to say yes to peacekeeping, the United Nations must learn when to say no" will be regarded as a hypocritical attempt to deflect domestic criticism on to the international community.

In Asia, however, attention will focus on the control of arms proliferation and human rights.

Mr Clinton is right to pursue both as goals of universal importance. China's record on these fronts leaves a lot to be desired, although it has agreed to abide by the Missile Control Technology Regime and denies U.S. claims it plans to resume nuclear tests.

However, the United States has often managed to raise more hackles than support in the region by its ham-fisted attempts to act as the single-handed policeman of international behaviour.

### PRC Officials Comment on Talks With UK

#### Zheng Guoxiong on 'Sincerity'

OW2809142993 Beijing XINHUA in English 1229  
GMT 28 Sep 93

[Text] Hong Kong, September 28 (XINHUA)—Local senior Chinese officials once again urged the British side to show sincerity so as to reach a bilateral agreement at an early date.

Zheng Guoxiong, deputy director of the Hong Kong branch of the XINHUA NEWS AGENCY, expressed the hope that the talks to be held between the Chinese and British foreign ministers next month in New York would make a breakthrough.

Zheng made the remarks at a reception to mark the 44th anniversary of the founding of the People's Republic of China.

Zhang Junsheng, another deputy director of the local branch of XINHUA, said on another occasion to celebrate the national day, "the negotiation on the arrangement for the 1994-1995 election in Hong Kong should have reached an agreement long ago".

The crux of the issue is that the British side should return to the basis of the Joint Declaration, the Basic Law and the understanding and agreements reached by the governments of China and Britain, Zhang said.

If the British side agrees in word, but opposes in deed and even goes so far as to raise some side issues which have nothing to do with 1994-95 electoral arrangements, it would be hard to reach agreement, he said.

China is not responsible for the fact that there is no agreement reached so far, he stressed.

Zhang said, the aim of the on-going Sino-British negotiation on the 1994-95 electoral arrangement is to have a "through train".

The Basic Law has clear stipulations on this, he added.

#### Wang Qiren on 3 'Conformities'

HK2809073093 Hong Kong WEN WEI PO in Chinese  
28 Sep 93 p 2

[Dispatch by staff reporter Chen Chien-ping (7115 1696 1627): "At a Meeting With Jardines President, Wang Qiren Says China Does Not Want To See a Breakdown in Sino-British Talks"]

[Text] Beijing, 27 Sep (WEN WEI PO)—Wang Qiren, deputy director of the Hong Kong and Macao Affairs Office under the State Council, said today that Sino-British relations are currently in a very important period and that the Chinese side does not want to see a breakdown of the talks, as has worried people. The Chinese side is still full of sincerity, hopes the talks can continue according to the "three conformities" principle, and will try its best to fight for a positive result. In the Hong Kong and Macao Affairs Office this morning, Wang Qiren met Simon Keswick, president of the Jardines (UK) Holdings Company, and his entourage. Wang Qiren made the above-mentioned remarks when the guest inquired about the current state of Sino-British talks. He said: The outside world is very interested in the talks between the Chinese and British Governments on the 1994/95 electoral arrangements for the Legislative Council in Hong Kong, and concerning this, I can only say frankly that we do not want to see a breakdown of talks. The Chinese side is still full of sincerity, hopes the talks can continue according to the "three conformities" principle, and will try its best to fight for a positive result. At present, there are some dark clouds in the sky, and I hope they can be blown away by winds and do not become rains, which can make our clothes wet, and cause losses, which is not good. Wang Qiren said that the 12th round of Sino-British talks on the

elections in Hong Kong is underway in Beijing, and that the Chinese foreign minister and the British foreign secretary will meet in New York in a few days. We hope that this round of talks and the meeting can show good results on the basis of plenty of sincerity. Wang Qiren said that over the past 11 years, China and the United Kingdom have had good cooperation, but regrettably, in the past year or so, unhappy events took place between China and the UK regarding the Hong Kong question. The essence of the issue is whether we have to uphold the principle of "three conformities." If the principle is upheld, Hong Kong can make the transition smoothly and will not have big fluctuations. This can also provide a good environment to the foreign investors and businessmen in Hong Kong. Wang Qiren cited some words by Deng Xiaoping: "We carry out talks precisely to solve this problem (referring to man-made chaos). The governments of the two countries must not do things which hinder Hong Kong's prosperity, and they must also restrain manufacturers and various trades from doing such things." He pointed out that this remark is very important, and he hoped everyone can seriously read this speech by Deng Xiaoping, a speech which is good for guiding the current and future events. He said he welcomed funds from various countries, including British funds, to do business for business' sake, and to continue to develop Hong Kong, and do more things which are conducive to Hong Kong's prosperity. We are also willing to continue to maintain and develop economic and trade relations between China and the UK.

Mr. Powell of the Jardines Group said that Jardines hopes the Sino-British talks can make headway on the basis of the "three conformities." When doing business in Hong Kong and on the mainland, Jardines will make its own contributions to the smooth transition of Hong Kong.

#### XINHUA Officials on Talks

HK2809145193 Hong Kong WEN WEI PO in Chinese  
28 Sep 93 p 12

[Unattributed report: "Zhang Junsheng and Zhu Yucheng Urge the British To Return to the Three Conformities"]

[Text] When attending a National Day banquet hosted by the Hong Kong Chinese medicine practitioners and traditional Chinese medicine circles yesterday, Zhang Junsheng pointed out: China and the United Kingdom should have reached an agreement in the talks on the 1994-95 election arrangements long ago. The responsibility for failing to reach an agreement now does not lie with the Chinese. He reaffirmed that problems can be solved very quickly as long as the talks are genuinely conducted on the basis of the "three conformities."

Zhang said: As far as our wish is concerned, China and the United Kingdom should have reached an agreement in their talks long ago. This argument should not have occurred even last year. The issue now is that the British

should genuinely return to the basis of the "three conformities." If they only pay lip service to the "three conformities" but are unwilling to genuinely observe the principle of the "three conformities" when discussing practical issues, and even raise obstacles by putting forward issues that should not be discussed under the 1994-95 election arrangements, then it will be very difficult to reach an agreement. Therefore, the responsibility for failing to reach an agreement now does not lie with us.

When asked by a reporter whether the present obstacle lies in the British insistence on discussing the "through train" issue, Zhang answered that the question of the "through train" had been explained many times. The ongoing Sino-British talks are about the 1994-95 election arrangements in Hong Kong. The talks themselves are aimed at having a "through train" in the future. As for the conditions for the "through train," the Basic Law and the relevant decisions of the National People's Congress have stated them very clearly.

When a reporter asked whether the British were fomenting turmoil [gao bo dong 2269 3134 0520], Zhang said with a smile: "You can see it yourselves."

On the question of whether or not the detention of a MING PAO reporter in Beijing would affect press freedom in Hong Kong, Zhang asked in reply: How can it affect press freedom? He said: "You often have been to Beijing to cover news and have interviewed so many people. Have you been arrested? If you do not break the law, how can you be arrested?"

When asked whether Xi Yang [Hsi Yang] would be dealt with by the State Security Bureau as a mainland or a Hong Kong reporter, Zhang said: Of course he will be dealt with as a Hong Kong reporter. Later, when the circumstances related to the Xi Yang incident are officially made public, you will certainly know which laws he has broken.

In another development, when discussing the progress of Sino-British talks on a public occasion, Zhu Yucheng, deputy director of the XINHUA Hong Kong branch, pointed out: The fundamental issue now is that Mr. Chris Patten put forward a "three violations" constitutional reform proposal last year. To be definite, therefore, the question of whether or not achievements can be made in the Sino-British talks depends on whether the British have sincerity. Zhu reaffirmed that the Chinese have always had sincerity toward the talks and hope that an agreement can be reached on the basis of the "three conformities."

When attending a National Day gathering hosted by the Hong Kong Chinese Reform Association last night, Zhu was asked whether he was optimistic about the prospects for the Sino-British talks. He said: "We have always conducted the talks with sincerity and the attitude of hoping for an agreement. Of course, to be definite, the question of whether the talks will yield results depends on British sincerity."

There is news saying that the Sino-British talks should reach a settlement by December this year. Zhu said: "The most fundamental issue in the talks now is that Mr. Chris

Patten put forward a 'three violations' constitutional reform proposal last year. The Chinese have always wished to reach an agreement on the basis of the 'three conformities.' But whether this wish can be realized depends on the British attitude, on British sincerity, and on whether the British are ready to cooperate."

Zhu stressed: "Sincerity is very important. If you really want to cooperate, you should have the sincerity to cooperate. We hope the British will return to the track of the 'three conformities!'" He said that only by cooperation and consultation can the Hong Kong situation be stabilized and its economy developed.

#### **Editorial on British Reaction to Deng's Talk**

*HK2809144093 Hong Kong WEN WEI PO in Chinese  
27 Sep 93 p 2*

[Editorial: "Deng's Remarks Are of Practical Significance, and Those Who Label Them 'Outdated' Are Making a Big Mistake"]

[Text] At 2300 on 23 September, XINHUA published Deng Xiaoping's talk with Mrs. Thatcher of 11 years ago. Deng's programmatic remarks during the talk regarding the Hong Kong issue are the foundation for Hong Kong's smooth transfer in the form of a document. All the newspapers throughout China were assigned to carry the talk under the first headline on the front page on 24 September, which indicates the momentous practical significance of the talk.

Some British feigned madness and acted like idiots, pretending that they did not understand the tremendous significance of publishing the remarks, and purposely belittled the impact of the remarks by saying that they were already "outdated," so that "no response to the remarks is necessary," and so on.

This has exposed the blindness of these people on the Hong Kong issue and their intention of challenging the cooperation between China and the United Kingdom and the Sino-British Joint Declaration. If Patten and the like continue to act obstinately with their present ideas, the development of the situation will further prove the great wisdom and correctness of Deng Xiaoping's analysis in which he foresees that the "British will create disturbances."

Deng Xiaoping pointed out: "What I am concerned about is how to effect a smooth transfer over the next 15 years. I am worried that there may be major disturbances in this period, and man-made disturbances at that. These could be created not only by foreigners, chiefly the British, but also by Chinese. It is very easy to create disturbances." This analysis is very practical and in keeping with the present situation.

Since Patten took up his post, he has been intentionally creating disturbances, of which the most obvious is his "three violations." He first said the agreements and understandings reached between the Chinese and British foreign ministers were "secret agreements," and were "no longer

effective." Afterward, instead of implementing the relevant provision laid down in Appendix II of the Joint Declaration that affairs concerning the transfer of political power and peaceful transition must be discussed by the Sino-British Joint Liaison Group, he one-sidedly dished out his "political reform package." Later, he took a series of actions to jump the gun. What is more, contrary to traditional practice, he recently allowed senior British civil servants to become localized, listed civil servants as a functional constituency, and egged on civil servants to form parties and participate in administration. All this has obviously disrupted the smooth transfer and created splits in society and among the ranks of civil servants in an attempt to bring chaos to Hong Kong.

Some people defend the British by saying that Patten's "three violations" have not created major disturbances in Hong Kong. Indeed, it cannot be said that Hong Kong is in great chaos today. But, can we say that since Patten dished out his "political reform package," there has not been turbulence in Hong Kong? Has Hong Kong's economy not been affected? Has not Hong Kong society been split? Has not Hong Kong's administrative efficiency declined? During the historic crucial transition period of the approaching takeover, Patten has been bent on his "three violations" to confront China deliberately. If he is allowed to go on acting as he pleases, who can say that there will be no disturbances in Hong Kong? Who will believe those that make such remarks? Moreover, history is the best mirror, as the trouble that the UK left behind to the local people whenever it withdrew from its colonies in the past remains fresh in everybody's memory.

Deng Xiaoping's remarks, generated from a strategically advantageous position, have been extremely encouraging and inspiring for the Hong Kong compatriots who support the recovery of sovereignty and "one country, two systems" and who take Hong Kong's prosperity and stability seriously. The Hong Kong people have learned to guard against the emergence of major disturbances in Hong Kong with concerted efforts in a bid to ensure a smooth transfer. So far as the British are concerned, revered Comrade Deng's hope that they will end their colonial history and advice that they cooperate with China in handling the Hong Kong issue properly are of extremely vital, practical significance as well. Such practical significance cannot be played down by the advocates of Deng's remarks being "outdated," no matter how hard they try.

The Joint Declaration, signed nine years ago, is not outdated, and the Basic Law, promulgated over three years ago, is not outdated either. Neither are the seven letters exchanged between the Chinese and British foreign ministers.

China's republishing of Deng Xiaoping's remarks of 11 years ago may let the British review the process of settling the Hong Kong issue and the leading role exercised by Deng's remarks in the Sino-British Joint Declaration, the Basic Law, and the seven letters between the foreign ministers of the two countries. At the negotiating table 13 years ago, the British tried to set as objectives propositions

including "the three treaties still in force," "sovereignty in exchange for administrative rights," and "joint administration by China and the UK." However, they vanished like soap bubbles one after another in the face of the three standpoints stressed by Deng Xiaoping in his remarks. China's basic position was later written into the Joint Declaration and the Basic Law. The historical course of recovering Hong Kong and maintaining the system in Hong Kong intact has been defined, and the takeover process will move on the track portended in Deng's remarks.

Today, 11 years later, the British are again trying to deviate from this track, to overthrow the agreements already reached, and to do what suits themselves, which will only end in failure. Patten's attempt to reverse the law governing the inevitable ending of colonial history will also get him nowhere.

The voice of the truth is long-lasting. Patten would be well advised not to rashly slight the remarks of Deng Xiaoping as being outdated. Those who move against the tide of history can only commit historical blunders in the end. At that time, not only will the interests of the Hong Kong people be infringed upon, but the long-term interests of the British will sustain losses as well.

#### **NPC, CPPCC Members Comment on Deng Talk**

*HK2809035093 Beijing XINHUA Domestic Service in Chinese 0659 GMT 25 Sep 93*

[By Reporter Guo Lingchun (6753 3781 1504)]

[Text] Hong Kong, 25 Sep (XINHUA)—The publication of Deng Xiaoping's remarks on the Hong Kong issue, made to Margaret Thatcher on 24 September 1982, caught the attention of all social sectors in Hong Kong. When interviewed, Hong Kong's National People's Congress [NPC] representatives and Chinese People's Political Consultative Conference [CPPCC] members expressed support for the Chinese Government's solemn and just stance on the Hong Kong issue and hoped for the removal of artificial obstacles and maintenance of stability and prosperity in the latter half of the transitional period.

Tsang Hin-chi, NPC representative and chairman of the Goldlion Holdings Limited, said that he had pondered over the past and future of Hong Kong after reading Deng Xiaoping's remarks. In the interest of the great numbers of the people, he added, the Chinese Government has kept a firm stance on recovering Hong Kong's sovereignty, which is a matter of principle, allowing no bargaining. In his view, Deng Xiaoping's remarks state clearly the Chinese Government's clear-cut stance; the remarks, which were released at an opportune time, will serve as guidance. He said he will, together with other local people who love the country and Hong Kong, try his best to maintain Hong Kong's stability and prosperity.

Shao You-bao, CPPCC member and chairman of the Hong Kong Manyau Group, said: Since arriving in Hong Kong, Chris Patten has been trying to "jump the gun," irrespective of the agreements reached by the Chinese and British

sides, thus creating chaos. Chris Patten's behavior shows that he refused to abide by the agreements reached and to uphold international morality and justice. He emphasized: We must maintain economic stability before we can maintain prosperity. The British side's present attempts to "outdo" the Basic Law have resulted in unnecessary social unrest. The Hong Kong people should maintain adequate vigilance.

Wai Kei-sun, NPC representative and chairman of the New Hong Kong Alliance, said: Deng Xiaoping's remarks indicate that the Chinese Government has taken various possibilities into account when making policy decisions on the Hong Kong issue. One important issue Deng Xiaoping raised is what is to be done if Hong Kong is put into turmoil during the 15-year transitional period. Deng Xiaoping predicted long ago that the British may create trouble and warned everyone to face the reality squarely. The warning was issued 11 years ago. Hong Kong people have no desire to live in a state of chaos; if something undesirable should happen, the British Government should know what will follow and "should not complain that it has not been forewarned."

Sit Fung-suen, NPC representative and professor of Hong Kong University, said: The publication of Deng Xiaoping's remarks show that the Chinese Government's principle on Hong Kong's sovereignty will not change, although the Sino-British talks encountered numerous difficulties and some people are trying to create an unfavorable international environment for China's opening and economic development. The fact that Deng Xiaoping's remarks, made 11 years ago, were released now shows that the Chinese Government predicted noncooperation from the British side and that China is powerful enough to cushion the impact, if any. He hoped that, to safeguard China's sovereignty and territorial integrity and to ensure Hong Kong's smooth transition to Chinese rule, every Hong Kong citizen will assume the task history has bestowed on him and work to build a prosperous and stable Hong Kong Special Administrative Region.

#### **Patten 'Prepared' To Report Negotiating Stance**

*HK2909040493 Hong Kong SOUTH CHINA MORNING POST in English 29 Sep 93 pp 1-3*

[Article by Fanny Wong]

[Text] Governor Chris Patten is expected to give an account of Britain's negotiating position on the 1994/95 electoral arrangements in his policy speech to be delivered to the Legislative Council next week. Mr Patten is prepared to tell the community where the negotiators have got to on the constitutional talks even though this could provoke China into accusing him of breaching confidentiality.

How far Mr Patten will go is likely to depend on the outcome of the summit between British Foreign Secretary Douglas Hurd and his Chinese counterpart, Qian Qichen, in New York on Friday [1 October]. Mr Patten and the team drafting the 6 October state-of-the-territory address



will put the finishing touches to the constitutional development section after the Qian-Hurd meeting.

China has, on a number of occasions, criticised the British side for leaking information of the negotiations. It is understood the British side maintains that the fact that the revelation may provoke the Chinese side cannot be the guiding principle for taking the step. It is understandable that the Governor would want to explain why, after five months of talks on the electoral changes he proposed exactly a year ago, the two sides are still very far apart.

Even if Friday's meeting concluded with a positive move from the ministers, it is understood that Mr Patten is still prepared to give an account on the talks.

Negotiations will resume on October 11-12 but the two sides were still polarised on their views over the constitutional package when they ended their current round on Monday.

A commentary in the October issue of the pro-China monthly magazine, *Bauhinia* [TZU CHING], said people should have no more illusions about the British side. A solid foundation and genuine support for Hong Kong lay in protecting and developing the smooth cooperation across the border the commentary said. It alleged that there were people who deliberately tried to create conflict between China and Hong Kong.

The commentary also criticised the British side for insisting on Mr Patten's "three-violation" electoral plan.

In his policy speech, Mr Patten will emphasize that time is running out and the talks cannot be dragged on indefinitely, although he will not announce a deadline for the negotiations.

The key stumbling block for the talks is still the through-train, as China is said to have refused to discuss objective criteria for the through-train arrangements.

Britain is understood to be prepared to make concessions provided that there is an overall deal which addresses the crucial through-train question. The concessions are said to include that it would accept a four-part structure, including representatives from the political, business, professional, and labour sectors, for the Election Committee elections to return legislators. Such a structure is along the lines that the Chinese side proposed in the seven diplomatic exchanges in early 1991.

China is also understood to have proposed a 600-strong electoral college for returning the 10 legislators provided the members are elected. But Beijing is understood to have preferred that the election be similar to that for the National People's Congress, by the method of democratic consultation.

British negotiators are also ready to accept organisation-based functional constituency polls, as another concession, which would reduce the originally proposed franchise by half to just over one million. But China's offer of having

small constituencies such as one formed by kaifong [neighbourhood] associations is considered unpalatable to British negotiators.

#### **Paper Apologizes to PRC for Story on Bank Fraud**

*HK2909053093 Hong Kong AFP in English 0454 GMT 29 Sept 93*

[Text] Hong Kong, Sept 29 (AFP)—Hong Kong's biggest newspaper, the *SOUTH CHINA MORNING POST*, has made a 2.5 million dollars (321,000 U.S.) charity donation to China over a report it admitted was "totally unfounded," newspaper officials said Wednesday.

The paper apologised September 12 to the People's Bank of China, the Bank of China, the Agricultural Bank of China and Ma Yongwei, an official of the Agricultural Bank of China, for an article it published on August 22 alleging a number of Chinese bank officials had fled China after siphoning off 28 billion U.S. dollars.

The banks and bank officials named in the story had threatened to sue for defamation and libel but agreed to a settlement under which the newspaper would make a donation to charity.

Meanwhile, the official XINHUA News Agency was quoted by TA KUNG PAO daily as saying that the three Chinese banks and Ma had decided to donate two million Hong Kong dollars (256,900 U.S.) to China Youth Funds' "The Hope Project" which helps poor children with their education.

The remaining 500,000 Hong Kong dollars (64,100 U.S.) were donated to Hong Kong's largest charity organisation, the Tung Wah charity group, it said.

#### **Work Committee Law Group Meets in Beijing**

*HK2809050093 Beijing XINHUA Domestic Service in Mandarin 1136 GMT 25 Sep 93*

[By reporter Chen Jianshan (7115 1696 1472) ]

[Text] Beijing, 25 Sep (XINHUA)—The meeting of the Law Group of the Preliminary Work Committee of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] was held today in the Hong Kong and Macao Center of Beijing. Group members conscientiously discussed their future work plans and reached a consensus of opinion.

At the one-day meeting, group members unanimously agreed that the future tasks for the Law Group should be: Reviewing the existing laws of Hong Kong (including current laws, newly formulated laws, and revised laws) and working out proposals for handling the contradictions between these laws and the Basic Law, considering how to enforce the Basic Law and the national laws applicable to the SAR as specified by the Basic Law, and making proposals in this regard.

In order to fulfill these tasks, the group members also discussed the work methods and timetable of the group.

**Discusses Bill of Rights**

HK2809040093 Hong Kong WEN WEI PO in Chinese  
26 Sep 93 p 2

[Report by intern reporter Li Hsiao-ping (2621 4562 0393): "Legal Subgroup of Preliminary Work Committee of the Preparatory Committee of the Hong Kong Special Administrative Region Raises Possibility of Revising or Rescinding Hong Kong's Bill of Rights"]

[Text] Beijing, 24 Sep (WEN WEI PO)—The Legal Subgroup of the Preliminary Work Committee for the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] held a workshop in the Hong Kong and Macao Center in Beijing today. The workshop set two major tasks for the work in the days to come: 1) Study Hong Kong's existing laws and laws promulgated and revised during the transition period which contravene the Basic Law and study ways to handle them; and 2) study the smooth implementation after 1997 of the Basic Law and the national laws applicable to the Hong Kong SAR as stipulated in the Basic Law. The group's mainland leader, Shao Tianren, stressed: The Legal Subgroup will work in strict accordance with the Basic Law and try its best to maintain Hong Kong's existing laws so that no big changes are made.

When asked by a reporter about the specific topics raised by committee members, Simon Li Fook-sean [Hong Kong co-convenor of the subgroup] said: One of the topics raised is what clauses should be revised or rescinded. Committee members touched on the Bill of Rights and treason. Moreover, they also discussed the issue of the garrison troops abiding by the law after 1997. Questioned closely by reporters if there was a possibility of rescinding the Bill of Rights, Li Fook-sean said that the group had not entered a discussion of specific issues and he could not answer the question. However, as he viewed it personally, the contents of the Bill of Rights have been stipulated in the common law and the equilibrium [ping heng 1627 5899] law. Therefore, whether there is a Bill of Rights or not makes no difference. At the same time, the fact that Hong Kong Government made the Bill of Rights superior to all other legislation has produced some impact. Citing an example, he said: If a person opens an account in a bank and then carries out illegal money-laundering activities through the account, the bank has the duty to provide the person's materials to the departments concerned. However, according to the Bill of Rights, the person is entitled to lodge a complaint with the bank for infringing on human rights. You see, what consequences may follow then?

**PRC Austerity Drive Affects Export Statistics**

HK2909033293 Hong Kong SOUTH CHINA  
MORNING POST (BUSINESS POST) in English  
29 Sep 93 p 1

[Article by Ray Heath]

[Text] Signs that China's austerity drive may be putting the brakes on Hong Kong's export performance have been thrown up by the latest trade figures for the territory. They reveal that re-exports, which are heavily dependent on China trade, began to slow again last month, after showing a powerful recovery in July. With a year-on-year growth rate of 19.6 per cent to \$72.9 billion, the figures are still too robust for alarm bells to start ringing.

However, there was a marked flattening of the steep upward curve seen in July when the annual growth rate was 25.9 per cent. That month's performance had been particularly cheering for the Government and business because it was sharply ahead of the very disappointing 13.5 per cent growth recorded in June.

Despite the slower growth last month, the Government yesterday welcomed the figures. "The expansion in re-export value so far this year has been strong and steady," said a spokesman.

Over the past 12 months, re-exports have grown by 23.2 per cent. So with August showing a 4.7 per cent month-on-month decline over July's performance, the outcome was below the long-term trend. Domestic exports are still reflecting the drift of manufacturing away from Hong Kong to China, and they fell 5.8 per cent to \$19.62 billion. The result was that total export growth was reined in, and showed growth of only 13.1 per cent to \$92.03 billion.

In July there had been a 19.1 per cent jump, following the relatively feeble gain of just 6.6 per cent in June. Last month's figures showed the still-growing dependence on re-exports by Hong Kong with less than one quarter of total exports now being generated locally.

In the first eight months of the year, domestic exports were \$144.17 billion, or 21.5 per cent of total exports. A year ago, domestic exports of \$149.15 billion represented 25.7 per cent of the total. The shock June figures had prompted premature warnings that the China factor was beginning to bear down on Hong Kong's economy, although most analysts shrugged off the figures. They argued that it was too soon for any hard evidence of a mainland slowdown. The blame was put on the unusually buoyant June of last year.

While July's figures appeared to confirm that June was an aberration, the latest figures will revive the close scrutiny of statistics for clues to the impact of China's economic measures. China-related trade accounts for about a third of re-exports from Hong Kong, and had grown by 38 per cent in the first five months of the year.

While domestic exports were declining in value in August, imports were climbing hard, and showed a 17.2 per cent jump to \$93.03 billion from August last year. This pushed the trade balance \$504 million further into the red, compared with a surplus of \$2.4 billion recorded in the same month last year.

Over the past year Hong Kong's trade imbalance has grown from \$20.2 billion to \$32.54 billion.

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